THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Credit of the Nationalist Loans

By Chen Ping-tsang

Are The Japanese Acting In Good Faith?

China's Tariff Fossil

By Kan Lee

Developing Kiangsu's Silk

By Paul K. Whang

The Northern Punitive Expedition

By Samuel H. Chang

Chinese Pioneering in the Trinidad Oil Fields

By Arthur A. Young

評論報 密勒氏

SATURDAY, NOVEMBER 3, 1928

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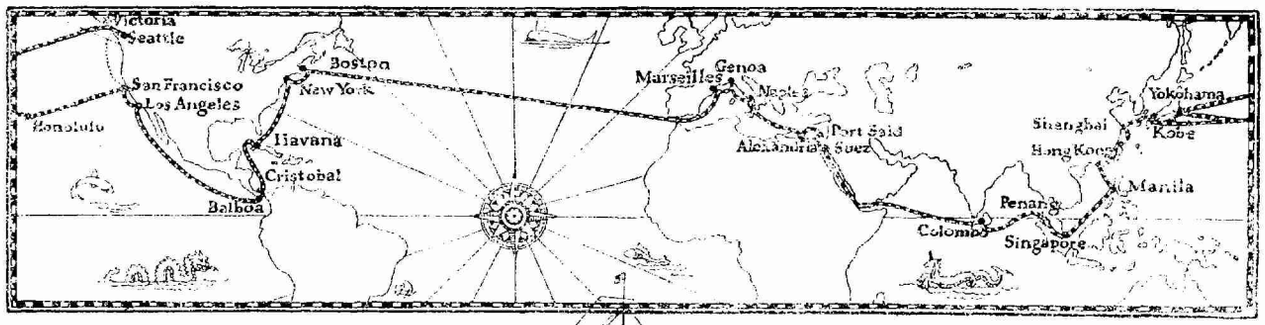

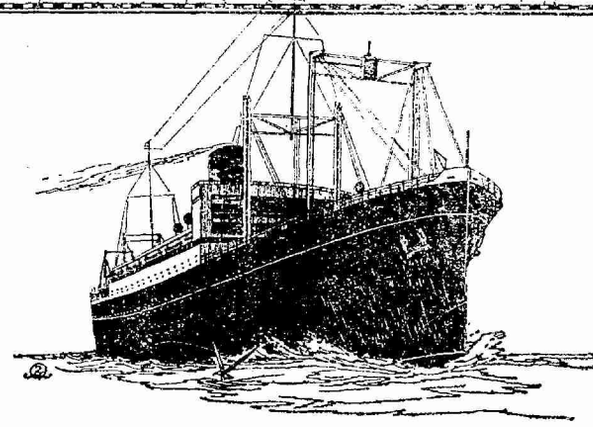

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WEEKLY SAILINGS TO AMERICA
ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
FOLLOWING WEEK TO VICTORIA B.C. AND SEATTLE VIA THE SHORT ROUTE
FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO, EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

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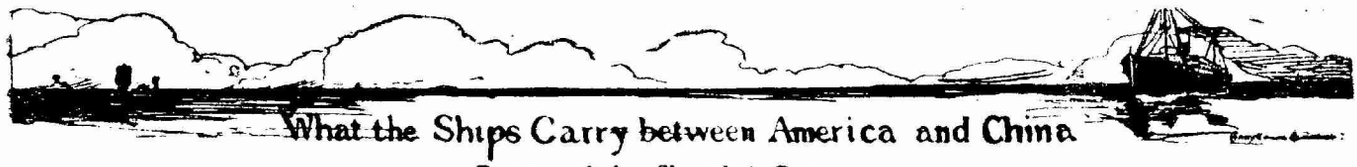

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.; Oct. Customs Rate Tls. 1.39 equal Gold $1

MARGARET DOLLAR, Sept. 8.

Timber, Softwood:		
Merchantable	Sup.ft.	484,928
Ordinary, Sawn	,,	2,050,997
Rough Hewn	,,	43,098

WISCONSIN, Sept. 18.

from U. S. A.

Paper, Writing	Pls.	63
Timber, Softwood:		
Logs	Sup.ft.	1,127,441
Ordinary, Sawn	,,	423,444
Manufactured, Clear	,,	25,741

SEATTLE, Sept. 19.

To U. S. A.

Tea, Black:		
Other kinds, Hangchow	Pls.	19
Tea, Green:		
Gunpowder, Ningpo	,,	562
Oil, Wood	,,	16,206

BIRCHBANK, Sept. 19.

From U. S. A.

Graphite	Pls.	12
Steel Bar Ends	,,	598
Steel Plate Cuttings	,,	3,326
Steel, Galvanized:		
Wire Shorts	,,	422
Tinned Plates, Plain	,,	6,935
Chlorine	,,	110
Chestnuts Extract	,,	76
Oak Bark ,,	,,	75
Paper, Blotting	,,	9
Bicycles	Pcs.	2
Cylinders, Empty	,,	98
Typewriters	,,	13
Cigarettes	Mille	40,000
Paints:		
Enamels	Galls.	100
Unclassed	,,	2,493
Motor-cars, Parts of	Hk.Tls.	292

ARGUN MARU, Sept. 20.

From U. S. A.

Cotton, Raw:		
American	Bls. 142	Pls. 10,009
Zinc Spelter	,,	420

TAKETOYO MARU, Sept. 22.

To U. S. A.

Tea, Green:		
Young Hyson, Hangchow	Pls.	261
Young Hyson, Kiukiang	,,	153
Hyson, Hangchow	,,	131
,, Kiukiang	,,	150
Gunpowder, Ningpo	,,	860
,, Hangchow	,,	64
,, Kiukiang	,,	7
Tea, Black:		
Unfired, Hankow	Pls.	733
,, Kiukiang	,,	147
Congou, Foochow	,,	42
Bristles, Assorted	,,	100
Chinaware, Fine	,,	127
Silk Cocoons, Waste:		
Shanghai Bls. 15	Pls.	49.24
	,,	16
Egg Albumen, Dried	,,	33

LONDON MARU, Sept. 24.

To U. S. A.

Silk, Raw, Re-reeled:		
White, other Ports Bls. 70	Pls.	71.45
Tea, Green:		
Gunpowder, Ningpo	Pls.	19
Antimony, Oxide	,,	252
Oil, Wood	,,	1,202

PRESIDENT CLEVELAND, Sept. 25.

From U. S. A.

Wool and Cotton Cloth, Unclassed	Yds.	304
Cheese	Pls.	19
Flour, Wheat	,,	1,034
Ink, Printing	,,	278
Milk, Evaporated	,,	486
Potatoes, Fresh	,,	30
Yeast	,,	8
Bedsteads	Pcs.	122
Motor-cars	Pcs.	10
Motor-cars, Parts of	Hk.Tls.	177

CITY OF VICTORIA Oct. 1.

From U. S. A.

Timber, Softwood:		
Rough Hewn	Sup.ft.	263,877
Ordinary, Sawn	,,	2,937,141
Merchantable	Sup.ft.	361,560

OREGON, Oct. 1.

From U. S. A.

Flour, Wheat	Pls.	820
Paper, Common Printing	,,	1,348
,, Writing	,,	266
Timber, Softwood:		
Clear	Sup.ft.	19,922
Ordinary, Sawn	,,	522,685
Pine Piles	,,	66,394
Round Logs	,,	999,718

HAYES Oct. 3.

To U. S. A.

Tea, Green:		
Gunpowder, Ningpo	Pls.	288
Tea, Dust, Kiukiang	,,	387
Silk Cocoons, Pierced:		
Shanghai Bls. 26	,,	78.68
Antimony Regulus	,,	2,352
Bristles	,,	314
Feathers, Duck	,,	52
Hides, Buffalo	,,	139
Intestines, Pig	,,	74
Soapstone Ornaments	,,	77
Carpets	Pcs.	166
Skins, Dog:		
1st Quality	,,	8,000
2nd ,,	,,	6,400
3rd ,,	,,	1,600
Foreign Goods.		
Tinned Plates, Plain	Pls.	164

CALIFORNIA, Oct. 4.

from U. S. A.

Paper, Wrapping	Pls.	2,687
Timber: Ordinary, Sawn:		
Softwood	Sup.ft.	330,363

SIBERIA MARU, Oct. 5.

To U. S. A.

Silk Piece Goods	Pls.	10.86
Brassware	,,	9
Eggs, Fresh	Mille	34

TACOMA, Oct. 9.

To San Francisco.

Oil, Wood	Pls.	16,126

Latest New York Stock Exchange Quotations

Tel. 18891-18990 Oct. 31

Market Closed Mixed Business done 3,526,100

STOCK	Monday Oct. 29	Tuesday Oct. 30
Allied Chemical & Dye (Common)	228¼	225½
American Can (Common)	108	107⅛
American Radiator	157¾	161
American Smelting	272¾	267⅞
American Telephone & Tel. (Common)	184⅜	184
American Tobacco "B"	169⅜	168¼
Armour & Co. "A"	17⅜	17¼
Armour & Co. (Ill.) 7% Pfd.	83½	None
Anaconda Copper	88¾	87¼
Bancitaly Corp.	121⅞	123½
Bank of Montreal	386	385
Bethlehem Steel (Common)	67⅛	66¼
Bethlehem Steel, 7% Pfd.	119¼	120
Brooklyn-Manhattan Transit	67	66¼
Calumet & Hecla	44¼	43⅜
Canadian Pacific Railway	221¾	219¼
Canada Dry Ginger Ale	77¼	76⅜
Cavanaugh Dobbs	None	35⅞
Chicago Great Western Railroad	32½	31⅜
Chile Copper	59⅛	59⅛
Chrysler	130⅛	126½
Consolidated Gas of New York	79¼	78½
Coty Incorporated	280	277
Davison Chemical	61⅛	58½
Du Pont de Nemours E. I. (Common)	433½	432
Eastman Kodak	184⅞	178¼
Electric Investors	65	64⅛
Fox Film "A"	97½	96¾
General Cigar	60	60
General Electric Co.	169	167
General Motors	221¼	220
General Railway Signal (Com.)	103½	102
Gold Dust	105	103¾
Granby Consolidated	77⅛	77½
Hudson Motor Car	86	84½
Industrial Rayon	141	138
International Cement (Common)	79½	77¾
International Match, Pfd.	102⅜	101¼
International Nickel (Common)	171	183
International Printers Ink	48¾	49
International Products Corp. (Common)	13⅛	13
International Products Corp., Pfd.	None	None
Kelvinator	12	11¾
Kennecott Copper	123¼	121⅜
Liggett & Myers, Class "B"	Mult.	88⅞
Lorillard Company (Common)	26¼	27½
Madison Square Garden	22	21½
Mengel Co.	36½	35¼
Missouri Pacific By.	70½	69⅛
New York Air Brake Co.	41½	41⅝
Pacific Gas & Electric Co.	49	49¼
Packard Motor Car Co. (Common)	94½	93½
Pennsylvania Railroad	64⅞	65
Radio Corporation	244½	235¾
Reynolds Tobacco, "B"	146⅞	146
Sears, Roebuck & Co.	156¾	154¾
Standard Gas & Electric (Common)	72½	71⅛
Standard Oil of California	62¾	61⅜
Standard Oil of Indiana	81¼	80½
Standard Oil of New Jersey	47⅞	47¼
Standard Oil of New York	36⅜	35½
Texas Corporation (Common)	67½	68¼
Texas Gulf Sulphur	70⅝	70
Timken Roller Bearing	140⅝	137½
Union Carbide	193⅞	190¾
Union Pacific Railroad (Common)	203⅞	203¼
United States Leather	55	55½
United States Realty & Imp Co.	Mult.	78
United States Rubber (Common)	39½	37⅜
United States Steel	162⅞	161¼
Vanadium Corp.		85½
Victor Talking Machine (Com)	133⅞	128
Wright Aeronautical	168	165

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

46-384

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6 55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M,
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peking-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

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ALL SORTS OF DANCERS
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46-386

密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認立券之報紙

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VOLUME XLVI SHANGHAI, CHINA, SATURDAY, NOVEMBER 3, 1928 NUMBER 10

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Formerly Millard's Review

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P. T. CHEN

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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THE NATIONAL CITY BANK AND JAPANESE INVESTMENTS IN CHINA!

ACCORDING to a *Reuter* report from Tokyo which was published in the Shanghai newspapers on October 26, the National City Company, a subsidiary of the National City Bank of New York has signed a loan contract with the Japanese Oriental Development Company of Tokyo for a loan of G. $19,900,000, the proceeds of which are to be used by the Japanese for development enterprises in Manchuria (and Korea). The *Reuter* report stated that the loan was to be officially advertised on November 10, the bonds to be issued at 90 with interest at 5½ percent and to be redeemable in 30 years. This announcement has aroused considerable interest in Chinese governmental and civilian circles because of the close similarity of this loan to a loan of G. $40,000,000 which the Japanese government-owned South Manchuria Railway attempted to negotiate with J. P. Morgan and Company and the National City Bank of New York last year, but which was finally blocked by the U. S. State Department on account of Chinese charges that the real purpose of the loan was to obtain American financial assistance and diplomatic support for Japanese political and territorial aggressions in China's three eastern provinces of Fengtien, Kirin and Heilungkiang. Chinese chambers of commerce and bankers associations as well as the Nationalist Government issued official protests against the contemplated American loan and in addition Gen. Yang Yu-ting, the Chief-of-Staff to Marshal Chang Tso-ling, the then warlord of Manchuria, announced his opposition to the loan and declared that the South Manchuria Railway was not a purely economic enterprise, but an instrument of Japanese aggression in Manchuria, the ultimate purpose of which was to convert Manchuria into a Japanese colony similar to the present status of Korea.

As a result of these various protests, Morgan and Company and the National City Bank decided to drop the loan despite the fact that Mr. Thomas W. Lamont of Morgan and Company and several officials of the National City Bank had spent considerable time in Japan working out the details of the loan contract. Now we have the report of another American loan to another Japanese concern, the Oriental Development Corporation, the purpose of which is quite similar to that which the South Manchuria Railway Company attempted to obtain last year. The Oriental Development Company is another semi-official Japanese colonial enterprise which functions in Korea and Manchuria. It was formed about twenty years ago and chiefly has been held responsible for the Japanese annexation of Korea. According to

those familiar with the activities of the Oriental Development Company in Manchuria, its chief activity is in the purchase of Chinese land and in agricultural enterprises, all of which are contrary to treaty; but since the company is semi-official it has always been able to obtain Japanese governmental support. In other words, the Japanese Government, or at least the military clique in control of the Japanese Government, has found the Oriental Development Company a convenient tool in their imperialistic adventures on the continent of Asia. The *Japan Advertiser*, the American paper in Tokyo, on October 24 printed a dispatch from Mukden which stated that the Japanese Consul-General, Mr. Hayashi, had made a proposal to Gen. Chang Hsueh-liang, the chairman of the Mukden Government for a settlement of the long-outstanding land-lease question, but that Gen. Chang had refused to consider the proposal and had referred the Japanese demand to the Chinese Defense Commission. The report concluded with the statement, "Heated discussion ensued and no decision was reached by the Defense Commission."

The land-lease question referred to in the *Japan Advertiser's* dispatch from Mukden, intimately concerns the activities of the Oriental Development Company which has purchased large tracts of land in Manchuria, supposedly for agricultural development enterprises, but which the Chinese people generally look upon as a Japanese scheme for extending Japanese political control on the Chinese mainland. As stated in the foregoing the Oriental Development Company has purchased large tracts of Chinese land for colonization purposes, all of which is contrary to treaty. Much of this land was purchased during the boom days following the World War at inflated prices. Now the Japanese Government has stepped in and is attempting to force the Chinese to legalize the activities of the Oriental Development Company by granting the Japanese the right to own and exploit land in the interior of Manchuria. The Chinese have steadfastly refused to concede the Japanese demands and now in view of the fact that Manchuria has nominally joined the Nationalist Government, it is extremely improbable that China will ever grant the Japanese demands.

It is upon this very doubtful security that the National City Bank of New York, one of the leading financial institutions of the United States would advance a loan. Although the announcement of the G. $19,900,000 loan has just been made, it has been under contemplation for several weeks because the *Japan Advertiser* printed a report on its financial page on September 13 last which stated that such a loan was being contemplated, the Oriental Development Company having decided to enter the American financial market following the refusal of the Colonial Bureau of the Japanese Government to permit the company to float a loan in the Japanese domestic market. The report in the *Advertiser* stated that the Oriental Development Company had debentures amounting to Yen 15,000,000 falling due in November and had unsuccessfully approached the Colonial Bureau for permission to float a domestic loan. This refusal precipitated a serious controversy in Japanese governmental circles, the upshot of which was the decision of the Oriental Development Company to attempt the flotation of a loan in New York, the total amount of money said to be needed for refunding the debenture issue of Yen 15,000,000 and for other purposes in Korea and Manchuria being stated at Yen 40 000,000. The National City Bank's reported loan of G. $19,900,000, which was referred to in the *Reuter* report from Tokyo last week, apparently coincides with the earlier report in the *Japan Advertiser* regarding the plans of the Oriental Development Company to float a loan in New York which they could not obtain in the Japanese domestic market owing to the opposition of the Colonial Bureau of the Tokyo Government. Whether the Japanese Government has guaranteed the G. $19,900,000 National City Bank loan was not stated in the report.

A consideration of these various complications not to mention the critical status of Sino-Japanese relations generally, makes one wonder regarding the wisdom of the officials of the National City Bank of New York in advancing loans to these various semi-official enterprises which function on the continent of Asia. No American bank would make a domestic loan in the United States upon securities so doubtful as that which these Japanese enterprises are now offering in the American market. What is actually happening is that the Japanese Oriental Development Company is borrowing American money upon assets in Manchuria which it has not been able to control in the past even when Manchuria was dominated by a military despot who was generally amenable to Japanese advice. And now that Nationalism has come into effect throughout China, the value of these assets is even more doubtful for obviously the Chinese are not going to permit a semi-official Japanese colonial enterprise to function in Chinese territory. Any Chinese government which would agree to such Japanese schemes today would be swept out of office in short order by an outraged Chinese public similar to what happened following the negotiation of the so-called Nishihara loans of 1918, with which the National City Bank was also indirectly concerned according to a recent report of the Foreign Policy Association of New York.

It has not been generally known in China that the National City Bank was indirectly concerned with the Nishihara loans (referred to editorially in *The Review* on October 27), but according to the September 28 report of the Foreign Policy Association on the China treaty situation, the National City Company made a loan of G. $22,000,000 to the Industrial Bank of Japan, which was one of the Japanese banks concerned in the Nishihara loans. It seems that the money had been used by the Japanese bank to secure part of the Nishihara loans, but since the Chinese had refused to repay the loan, which fell due in August, 1927, the bank was seriously embarassed. In order to protect it the Japanese Diet passed an act guaranteeing the payment of the Nishihara loan and on Aguust 9, the Japanese Department of Finance handed to the bank the sum of Yen 52,000,000 in bonds with which it met its obligations to the National City Bank. According to the report of the Foreign Policy Association, the Nishihara loans (Nishihara was the name of the Japanese banker responsible for the negotiations) were advanced secretly to the Anfu clique of Chinese militarists and politicians in temporary control of the Peking Government during the world war. The total amount of these loans has never been stated, but has been estimated anywhere from Yen 225,000,000 to Yen 380,000,000. The money was used by the Anfu militarists and their associates for their own enrichment or for military purposes in the war with South China. While these loans were supposedly for economic purposes and for the announced object of preparing China for participation in the World War, the real purpose was to clinch Japan's military and economic control over North China under the terms of the notorious Twenty-One Demands of 1915. To secure the money the Anfu militarists handed over to the Japanese numerous contracts and concessions over which they had no legal control, or they pledged

Chinese treasury bonds which had depreciated to an absurd value. When the facts regarding the Nishihara loans became generally known in China it led to widespread indignation which resulted in a political insurrection which drove the Anfu politicians out of office and into hiding within the Japanese concessions in North China. It also contributed to the anti-Japanese agitations and boycott which continued up to the time of the Washington Conference when Japan was forced to return the former German interests and concessions in Shantung (seized in 1914 at the outbreak of the World War) to China and to sign the Nine-Power Washington Conference Treaty guaranteeing the administrative, political and territorial integrity of the Chinese Republic.

While the National City Bank has been able to protect itself by inducing the Japanese Government to guarantee the loans made to these semi-official colonial enterprises functioning on Chinese territory, the general results have been detrimental to American prestige in China because of the general feeling among the Chinese that Japan's real purpose is to obtain American partnership in her policy of aggression at the expense of China. Also it has not redounded to the prestige of the National City Bank, with the Chinese people, a matter of not very great importance at the present, but which will be of very great importance in the future when China is able to stand on her own feet and enter the world's financial markets independently.

The Japanese Legation in Peiping on October 30 announced, through a *Reuter* dispatch that the recent National City Bank loan of G. $19,900,000 to the Oriental Development Company was to be used for the redemption of an old loan and declared further that the Oriental Development Company operated chiefly in Korea. This statement by the Japanese Legation therefore conflicts with the report from Tokyo which stated that the Oriental Development Company required Yen 15,000,000 (G. $7,500,000) for refunding an old loan, but that the remainder was required for development projects in Korea *and Manchuria.* It is very doubtful whether this statement by the Japanese Legation in Peiping will tend to reassure the Chinese. Also it would be interesting to know whether the State Department has insisted that the American money *be confined to Korea* and not used in Manchuria for the principle involved is exactly the same as that which prompted the State Department to refuse permission last year for Morgan and Company and the National City Bank to make a loan to the Japanese government-owned South Manchuria Railway.

EXAMPLE OF MISSIONARY STATESMANSHIP!

THREE LEADING American mission boards, the Methodists, Presbyterians and Baptists have decided to waive their claims against China for damages suffered to their property in the Nanking incident of 1927. The value of mission property destroyed in Nanking in connection with the Nanking incident is not known, but it has been reported in excess of $500,000. The losses suffered by the three missions, the Methodists, Presbyterians and Baptists, including Nanking University are said to have been approximately $300,000. In view of the fact that all missionary organizations are now seriously handicapped for funds for carrying on their work in China, this makes the present decision to waive their claims for property losses at Nanking a genuinely self-sacrificing act—true far-sighted statesmanship! Several weeks ago it was also reported that one of the important British missionary organizations in China had likewise decided not to make any claims for property losses suffered in various parts of China as a result of the political disturbances of the past two years. These actions are to be commended for they express the real sentiments of foreign peoples toward China far better than they are expressed in the resolutions of chambers of commerce and diplomatic protests, which usually are reactions of special interests. Missionary organizations receive their financial support from church organizations abroad in the form of small contributions, and the people who give the money do so chiefly in the hope that some good may be accomplished. The foreign missionary is the medium through which the contributors hope this service to humanity may be rendered. Many serious mistakes have been made in the name of missionary work in China which have had the effect of creating opposition on the grounds that the missionaries are part of the imperialistic-capitalistic system which is "seeking to enslave China." Much has been heard on this question in China in recent years, but the criticism has not been confined to China or to modern years. Robert G. Ingersoll was quoted in the *New York Herald* in 1890 as declaring, "When Christian missionaries invade what they call a 'heathen' country, they are followed in a little while by merchants and traders, and in a few days afterward by an army. The first real work is to kill the 'heathen' or steal their lands, or else reduce them to something like slavery. I have no confidence in the reformation of this world by churches. . . ." The public does not yet realize the efforts which have been exerted by the leading missionary organizations in China in recent years to disprove these charges, but the fact that hundreds of missionaries are beginning to return to their posts in the interior of the country shows that much progress has been made in convincing the Chinese people that the missionaries are not imperialists "seeking to enslave China." As a matter of fact the present official moves on the part of foreign governments in the direction of treaty revision are largely the result of missionary propaganda abroad in the past half dozen years, and if the truth were know it probably was the Protestant and Catholic missionary organizations in the United States who were largely responsible for President Coolidge's decision not to join with certain European Powers and Japan in military intervention in China following the Nanking incident last year. The decision of the leading mission bodies to waive their claims for property losses at Nanking constitutes another mile-stone in missionary altruism toward China and the results are likely to be far-reaching in improved relations all around.

BRITISH OIL OFFICIAL FEARS U. S. "DOMINATION!"

MR. SAMUEL SAMUEL, member of the British Parliament, and managing director of the Shell Transport Company, a subsidiary of the Royal Dutch Shell Petrolium Company, delivered an address in London a few days ago in which he vigorously attacked the United States and asserted that America is "trying to dominate Great Britain." The report of Mr. Samuel's address was telegraphed to the Far East by the *United Press* and appeared in the *Japan Advertiser*, the American newspaper in Tokyo on October 18. According to the cabled report, Mr. Samuel declared that the United States persuaded the British Government to

abrogate the Anglo-Japanese Alliance, which action on Britain's part was a "fatal mistake" from the British viewpoint. Then following the abrogation of the Anglo-Japanese Alliance, America induced Britain at the Washington Conference to enter into a new agreement pertaining to China which was supposed to provide for common action on the part of the United States, Great Britain, Japan and France in respect to China, "but here again the United States played us false." These actions on the part of America in Mr. Samuel's opinion "amply proved that Britain cannot trust the United States." These remarks on the part of one of the influential heads of the Shell oil interests are of particular interest in view of the recent complications of Dutch Shell and the Standard Oil Company of New York over the subject of Soviet Oil. Since the Standard Oil Company made its contract with the Soviet Russian oil syndicate in 1926 which has enabled the American concern to compete actively with the Dutch Shell interests in the Mediterranean and Near Eastern markets, the officials of the British oil company from Sir Henry Deterding down, have become increasingly rabid in their anti-Americanism. Their first drive was against the Soviet Russians, resulting in the raiding of the Russian trading company's (Arcos House) offices in London and a world-wide propaganda to force everybody to break off relations with the Soviet, but since this campaign fell flat, outside of Great Britain which country did break off relations with Russia, the Shell officials have since been directing their animosities against the United States. Since the motives behind the campaigns are known, they have not had any particular effect among persons familiar with the elements involved, but in view of the fact that the general public is not informed, it may be of some service to review briefly the history of this squabbling over Russian oil which has had its reverberations all over the world and even in China where British oil interests are alleged to have financed propaganda campaigns against Soviet Russia and also, possibly, against the United States. Following the failure of the European Powers and the United States to come to an understanding with Soviet Russia at the Genoa and Hague conferences, the British and American oil companies made an agreement in September, 1922 for the purpose of protecting their claims to properties which the Soviets had nationalized. Each agreed not to acquire concessions in Russia at the expense of claims of the others. This led the Soviet Government to begin exploiting its own oil resources, which caused the oil magnates to become apprehensive and open to temptation. Sir Henry Deterding, although president of the *Groupment* (British-American Oil Association) began purchasing oil from the Russians early in 1923. The Standard Oil then did the same and the *Groupment* speedily collapsed in a general scramble to secure favorable bargains for the purchase of oil from the Soviet Naptha Syndicate. Standard Oil of New York and Vacuum Oil, a subsidiary came out on top and thus became dangerous competitors of Royal Dutch in various foreign markets and to make matters still worse, Soviet Oil began competing with Royal Dutch in the retail trade in England itself. This led to the propaganda financed by Dutch Shell against "stolen oil" and a world-wide propaganda against the Soviet Government. Now, according to the report from London the propaganda apparently is to be turned against the United States! We do not suppose that many persons in the United States will be seriously concerned at this attack of Mr. Samuel Samuel, especially when the motives behind the campaign are known.

CHINESE AND FOREIGNERS ON EQUAL EMPLOYMENT BASIS

THE *North-China Daily News*, the official British organ in Shanghai, worked itself into a fit of near-apoplexy last week over two alleged cases of Chinese "encroachment" upon the International Settlement. One case was an alleged interview with Mr.Li Ming, Managing Director of the Chekiang Industrial Bank which appeared in the *Sin Wan Pao*, one of the local Chinese newspapers in which Mr. Li was quoted as saying that in future preference would be given to local residents, Chinese or foreigners—on an equal basis—in the selection of employes of the International Settlement. Mr. Li is one of the recently-elected Chinese members of the Shanghai Municipal Council and he seems to be giving a good account of himself as a representative of Chinese interests for he has strongly advocated the employment of more Chinese "in order to raise the efficiency of the local municipal staff." According to the report in the Chinese newspaper, Mr. Li recommended that instead of bringing out technical men from England, whose traveling expenses have to be paid, that the Council should adopt the policy of employing men locally. The *North-China Daily News* in its introduction to the foregoing report, labeled it as "a piece of propaganda disseminated by certain interested people who want to cancel the unequal treaties and secure the rendition of the Settlement for their own benefit." Mr. Li Ming however, was not disturbed by the attitude of the senior foreign newspaper here for he confirmed his reported attitude on this question by making the following statement which appeared in the *N. C. D. N.* on Friday, Oct. 26,

> "The Economy Commission (of the Shanghai Municipal Council) have recommended a policy, for reasons of economy, which I fully endorse as a member of the Staff Committee of the Council. This policy provides for local employment of foreigners and Chinese alike, whenever it is possible, so that the expense of bringing men from abroad may be avoided. But this policy must be so carried out that there is no impairment of the efficiency of the Council's personnel and that there is no intention to prejudice the status or number of either Chinese or foreign employees. When a vacancy takes place, the Council may, if it is advisable, advertise in the foreign and Chinese press, for employees. If satisfactory applicants present themselves, they may be employed. If not, then the Council must get them from abroad.
>
> "This policy has apparently been followed by the Council for some weeks and I cannot understand why anyone should make an issue of it now."

CAPITAL AND LABOR ARBITRATION

THE other matter which seems to have disturbed the editor of the British official organ was the recent announcement by the National Government of the promulgation of a set of regulations for the arbitration of disputes between capital and labor. As generally known, the Nanking Government for sometime has been considering the creation of a "Social Bureau or Board of Arbitration for the peaceful settlement of capital-labor disputes, the purpose being to prevent or minimize strike troubles. Exact details regarding the method of procedure are not known, but the Government has provided for the creation of standing boards or commissions composed of competent officials of the Government, the local Municipality of Greater Shanghai, the Kuomintang, the president of the Provisional Court and an equal number of members selected by the local recognized labor unions. This is undoubtedly a forward step which doubtless will meet with unqualified approval abroad, but the *North-China Daily News* "views the situation with alarm," to use a stereotyped expression, for the article referring to the subject was headed

"New Plan to Undermine Authority in the Settlement." One paragraph from the account serves to illustrate the reactionary attitude of the official British newspaper here and the die-hard interests in the Settlement which it represents.

"A translation, from the Chinese, of the rules of organization of the Social Bureau, reveals that sweeping powers are granted to the governing committee and leads to the inevitable conclusion that the whole institution has been organized purely to cause confusion to the Settlement Authorities in their jurisdiction over the International Settlement and the labor disputes that arise within its boundaries."

BEFORE referring further to the attitude of the *North-China Daily News*, it is of interest to reprint Articles 35, 36 and 37 of the Government's regulations which are as follows,

Art. 35.—The employers and the employees engaged in the industries referred to in Article 4 shall not strike or suspend business on account of any dispute between labor and capital.

Those engaged in other lines shall not strike or suspend business during mediation or arbitration.

No employers of any commercial establishment shall dismiss laborers during mediation or arbitration.

The period for mediation or arbitration shall commence from the day immediately after the convention of the Committee of Mediation or Board of Arbitration.

Art. 36.—Laborers or labor unions shall not do the following:—

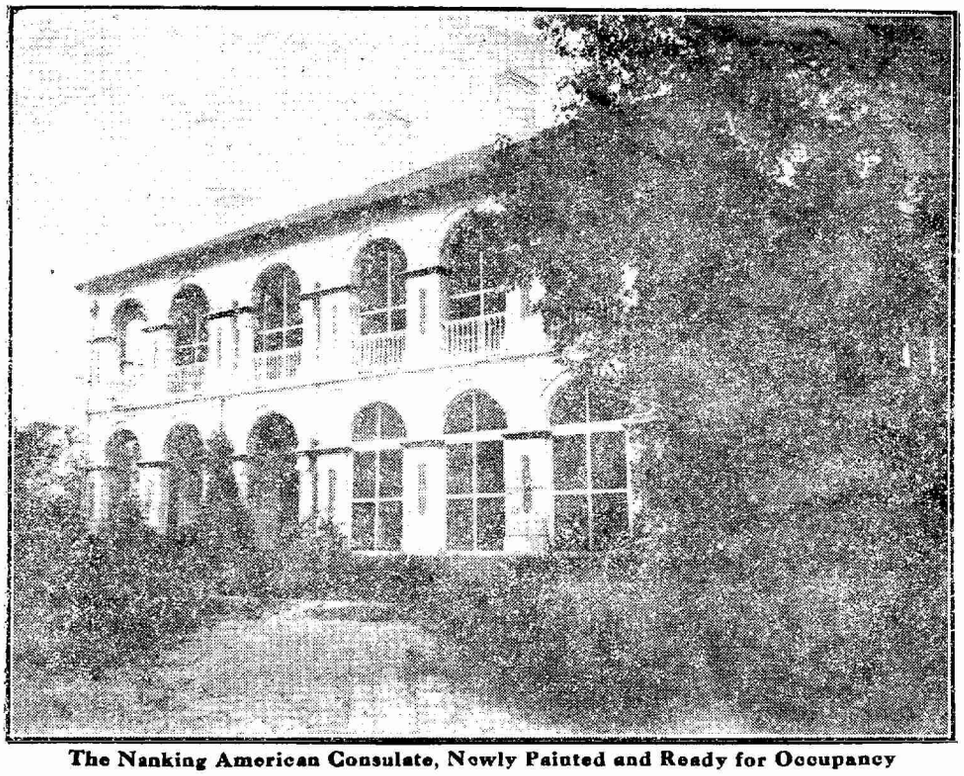
(1) Sealing of shops or factories.
(2) Seizure or destruction of furniture and furnishings of any shop or factory.
(3) Compelling others to strike.

Art. 37.—The question of payment of wages during strike shall be decided together with the matter under dispute by the Mediation Committee or Board of Arbitration

WHAT is apparently worrying the official British organ here is the obvious intentions of the Chinese Government to have the Board of Arbitration function in connection with labor troubles which may arise in factories operated by foreigners within the boundaries of the International Settlement. In this connection the paper hints that the subject is being considered by the local Consular Body from the standpoint that the regulations of the Board of Arbitration may conflict with the agreement for the rendition of the Provisional Court, and so on, it being stated that this phase of the matter "was receiving careful scrutiny." To anyone familiar with the past shameful record of the authorities of the International Settlement on the labor question, this fresh indication of opposition to reform, will be read with supreme disgust on the part of thinking persons everywhere. Shanghai, which is the chief industrial center of China, has consistently refused to adopt either its own or the Chinese Government's child-labor regulations, the excuse being that reforms within the boundaries of the Settlement would place employers here at a disadvantage in competition with factories outside of the Settlement. Shanghai's method of settling strikes is to use the police and armed volunteers. This method, resulting in the shooting of a laborer in one of the Japanese cotton mills in 1925 paved the way for the May 30 incident of that year when Municipal police fired on an unarmed mob of students and laborers on Nanking Road and precipitated an anti-British boycott and political agitation which has cost British interests in China many millions of pounds stirling in trade losses. But despite these bitter lessons Shanghai die-hards, if one would take seriously the attitude expressed in their newspaper on October 26, are still opposed to reform and would block any forward movement proposed by the Chinese Government if such legislation threatened to interfere with the standpat, do-nothing attitude of the local Municipal authorities. We know of nothing better calculated to consolidate Chinese public opinion behind their Government's plans for the abolition of extraterritoriality and the rendition of the foreign settlements. Also, we know of nothing better calculated to cause foreign governments to refuse further support to a reactionary regime here which refuses to do anything constructive on its own accord and also refuses to cooperate with the Chinese governmental authorities who are trying to do something. The duration of the foreign administration at Shanghai is obviously limited, but it might be extended for many years if the authorities of the Settlement and their official press possessed sufficient vision to adopt a conciliatory attitude and seriously try to cooperate. A few weeks ago there was published a report in *The Review* telling of the refusal of the Municipal authorities to cooperate with the local Chinese authorities in the neighboring Chinese city on matters pertaining to public health. Then we have the serious crime situation in the Settlement which is directly traceable to the refusal of the police authorities in the Settlement to cooperate with the police authorities in the Chinese city. And now we have the official newspaper here starting a campaign in opposition to the Chinese Government's plan for creating a Board of Arbritration to settle labor disputes!

The Nanking American Consulate Sits Splendid and Shining--and Empty!

NEWLY polished and glistening in the sunlight the insignia of the United States of America is above the archway that hovers over the entrance gate. The gravel drive is well-kept—no weed-infested signs of unoccupancy here. Back fifty yards from the wall and the gate, a half dozen fat ducks float lazily, amicably, upon the surface of a quiet pond. A little further beyond is the house itself, gleaming with new paint—white-coated and the trimmings in prairie-grass green. Inside, the floors of the rooms are spotless, richly lacquered and bare. This is the American consulate at Nanking, splendid and shining—and empty! How long Mr. C. J. Spiker, the American consul appointed to Nanking, and his staff will continue to reside in Shanghai under the protective wing of Cousul-General E. S. Cunningham, nobody seems to know. Some time ago it was announced that America officially would return to Nanking on October 1st, the date set for the reoccupation of the consulate there. When this plan failed to materialize it was then rumored that the consul would move into the building on October 10, the National holiday. Appropriate ceremonies were to be held; much was to be made of the occasion. But before the "Double Ten" festival arrived, a rift, so it was reported, appeared in the arrangements. There was said to be a dispute as to whether China, or America as represented by an American gunboat, should fire the first salute in recognition of the resumption of American consular affairs at



The Nanking American Consulate, Newly Painted and Ready for Occupancy

Nanking! So October 10 came and passed and the consulate remained empty! Now at the Bureau of Foreign Affairs at the capital there is none who is willing to hazard a guess as to the date when the Americans will "move in". It is all very secretive. Dr. C. T. Wang has made no announcement and it is denied that there have been any disagreements as to the formalities to be observed. It is also asserted that no previous arrangements had been made and, naturally, none could have failed to be realized. The October 1 and October 10 dates are said to be merely inventions of uniformed individuals—vacant rumors and nothing more. But no definite information or even implications concerning the reopening date are available—either from the Nanking foreign office or by the American consul at Shanghai. The Nanking incident is now past history, the settlements having been completed long since. The consulate at Nanking, so far as an American who visited it this week could observe, is ready and lonesome for occupants. With the National Government officials crowded into inadequate quarters and the Nanking housing situation extremely acute, it seems ironic that the big American consulate should remain uninhabited. It is rumored that the rather elaborate ceremonials which were reported to have been planned for the occasion have not yet been fully decided. But the generally accepted explanation as to the cause of the delay is that it is due to a dispute as to which nation is to fire the first salute at the flag-raising—a gesture which then will be returned by the other nation. The Foreign Office is said to argue that America already has secured complete redress through the Nanking apologies and that her return to the consulate should be made in observance of the traditional custom, which is for the foreign government to give the first greeting. America feels that since the flag was torn down, the formalities in this instance should be reversed, in order properly to honor the colors of the United States. Meanwhile American citizens in the capital must continue to refer their problems to the Shanghai consuls, two hundred miles away from the Nanking scene! At the same time it is interesting to note in this connection that the Japanese and British consulates which suffered the same indignities as America during the Nanking incident, now are open. The Japanese consulate has been operating for almost a year and the British returned to Nanking several weeks ago. The Germans, also, have a diplomatic representative in Nanking and that government, it is expected soon will establish a legation there.

Smith Gaining But Hoover Appears Certain!

Special Cable from The Review's Washington Correspondent

Washington, Nov. 2—Although Governor Al Smith, the Democratic Candidate for President has made substantial progress in the whirlwind campaign of the past two weeks, the consensus of opinion based on pre-election surveys indicates that Hoover will be elected. Gov. Smith will doubtless carry the so-called solid South with the possible exception of Tennessee and Kentucky, giving him a total of 114 electoral votes.

Other states which are regarded as possibly democratic are Massachusetts with 18 electoral votes, Missouri with 18 votes, Maryland 8 votes, Rhode Island 5 votes, Wisconsin 13 votes, Oklahoma 10. The doubtful states are New York with 45 votes, Nebraska 8, Montana 4, Arizona 3, and New Mexico 3.

If Gov. Smith carries all of the doubtful states, he will have only 261 votes which is five less than the minimum required to elect. The Republicans claim that Hoover will carry New York, Massachusetts, Missouri, Maryland, and Nebraska, none of which are actually needed to elect Hoover.

U. S. Elections Will Be Held Tuesday, November 6

According to the Constitution of the United States, the Presidential elections are held every four years, and it is stipulated that they shall be held on the first Tuesday after the first Monday in November. Thus the earliest date on which a Presidential election can occur is November 2, and the latest November 8. Voting is by states, the larger the state the greater its vote. New York heads the list with 45 electoral votes. The least any state can have is 3 votes, there are several such. The total is 531. Number required to elect is 266. The swinging of New York state, "Al" Smith's home, from one side to another would make a difference of twice 45 or 90 votes in the respective totals of the two candidates.

Japan Announces Independent Attitude on Salt Gabelle

A recent *Toho* despatch from Peiping stated that the anticipated conciliation among the Powers interested in the Salt Gabelle has become hopeless as a result of the divergence of opinions among Great Britain, France and Japan. At the conference, Wednesday, October 3, Mr. Hori, the Japanese Charge d'Affairs, held that Japan, as she had already made clear her attitude towards the question, could not agree to the Regulations of the National Government for the redemption of the foreign loans, the provisions of which disregarded the existing treaties.

Chinese Native Products Exhibition Opens

The Chinese Native Products Exhibition opened in Shanghai, Thursday, November 1. It is being held under the auspices of the Ministry of Industry and Commerce at Nantao.

H. H. Kung, Minister of Finance, formally opened the Exhibition. Mayor Chang Ting-fan delivered the speech of welcome. An address was also made by C. C. Chao. The object of the Exposition is to encourage native industry.

Nationalist Manifesto to the Nation

At the fourth meeting of the State Council held at Nanking, Friday, October 26, with President Chiang Kai-shek in the chair, a Manifesto on Government policy was passed, the following being a translation of several important paragraphs:

"Now that the Period of Political Tutelage has set in, the Kuomintang of China, faithful to its traditional mission, and answering the call of the practical needs of national administration, has to shoulder the administrative responsibilities of the nation and has accordingly invested the National Government of the Chinese Republic with the necessary authority for exercising its administrative functions.

"The very purpose of the existence of the National Government is to bring to the stage of fruition the ideals and plans set forth in the Plan of Reconstruction, the Outline of Reconstruction, the various important manifestoes promulgated by the Kuomintang of China and the political fundamentals proclaimed by the Party. But as we seek for means and ways for attaining this goal, we find that our first duty is to ameliorate and pacify the conditions of society and to get rid of all peace-disturbing elements so that the foundation itself of reconstruction may be made secure.

"Mindful of the sufferings of the people the National Government will do its utmost to bring relief to the suffering masses and to stamp out the course of banditry and the menace of Communism. Our conviction is that the authority with which the National Government has been invested rests with the practical needs of the people, and accordingly the nature of the economic life of society and the safety of the lives and property of the people are all problems of vital concern to the National Government. Accordingly we shall wage a relentless war against all elements calculated to disturb society and to endanger the lives and property of the people.

"To achieve progress in reconstruction along practical lines is an undertaking the motivating power of which rests with a strong and efficient Government. This shows why political reconstruction takes precedence over every other form of reconstruction. The establishment of the Five *Yuan* of the National Government marks the first forward step in the sphere of political reconstruction, and future activities will centre around the Five *Yuan* as the pivot of the Political Tutelage campaign so that due training will be given for the people's participation in administration as laid down in the Outline of National Reconstruction and the theory of the Five-Power Constitution will be put to practical application.

"Economic reconstruction is the foundation of the material aspects of the San Min Chu I. It is at the same time the condition under which the subsistence and progress of the people of the Chinese Republic will thrive. It has to move onward side by side with political reconstruction in order that the people may be better enabled to exercise their rights more progressively as they find their material position better strengthened. To provide the poeple with the wherewithal for their clothing, food and dwelling, as well as facilities for locomotion, the main essentials of economic reconstruction must be given due attention.

"Educational reconstruction is the foundation of all social and national reforms. Our girls and boys throughout the country are physically weak and intellectually backward, and with their lack of rigid discipline and inadequate superficial knowledge in mind we may safely say that our educational system in the past has been a great failure. The whole situation is so discouraging that the very existence of our race has been imperilled should we allow things to drift any longer in this manner."

New Railway Projects in China

At a meeting of the Provincial Political Council in Peiping recently a proposal for the construction of a railway from Shih-chiachuang, on the Peking-Hankow line, to Tsangchow, on the Tientsin-Pukow line, was approved. The proposal was later sent to the Nationalist Government in Nanking for adoption.

H. Lambert, Engineer-in-Chief of the Lunghai Railway and Liu Chi, Director-General of the Lunghai Railway, were in Sianfu during the week to consult General Soong Chi-yuan regarding the completion of the unfinished section of the Lunghai Railway and to make preliminary preparations for the construction of another trunk line connecting Tatung in northern Shansi, with Chengtu, capital of Szechuan province.

Central Bank of China Opened in Shanghai

The newly established Central Bank of China commenced functioning in Shanghai at noon, Thursday, November 1, occupying the premises on the Bund, formerly occupied by the now defunct Russo-Asiatic Bank. The National Ministry of Finance earlier in the week had issued a Mandate, copies of which were posted in conspicuous places throughout the city, announcing that the notes of the Central Bank, of which T. V. Soong, Minister of Finance is the Governor, are to be accepted as legal tender in all monetary transactions. The government offices also accept Central Bank notes for payment of taxes, and they may also be used for debt payments and in all business dealings at par value.

Jien H. Chen has been appointed Deputy Governor. He has worked as a practical banker in Shanghai and Hankow. The manager of the bank department is Kou Li-shen, who has hitherto been in charge of the Kiangsu Bank in Shanghai, while Li Chou, chief of the Treasury Department at Nanking is chief of the Issuing Department.

Amongst the directors and supervisors are Messrs. K. P. Chen, Li Ming, Y. M. Chien, T. Y. Peh, T. L. Chow and others.

The new Central Bank of China will be exclusively a Government organization and the repository of all Government funds, dealing with all matters connected with the issuance of currency, flotation of loans, etc.

According to the regulations promulgated by the government this year regarding notes to be issued by the bank, all $1, $5, $10, $50, $100 notes issued by the Shanghai office of the bank may be freely circulated on all public markets as legal tender at par value. The notes may be accepted for payment of taxes or other public funds, and for payment of debts. They can also be used in all business transactions.

The bank has a large gold reserve fund. Holders of the notes may come to the Shanghai office on any day during office hours and have the notes cashed. There is no limit fixed on the amount of notes to be cashed by one individual on any one day.

Reuter's agent at Nanking telegraphed under date of October 30:

"In regard to the small money notes issued formerly by the headquarters of the Commander-in-Chief of the Nationalist Army, they may be cashed at the local offices specially opened for the purpose. It is reliably reported that the authorities are also making plans in regard to the Central Bank "small money" notes issued by Hunan, Kiangsi and Kwangsi provinces, and the notes issued by the Hankow Office of the bank. Official announcements regarding the above notes will be made later.

"Hitherto Central Bank notes not only were not accepted at par value, but were not accepted anywhere in Shanghai. They were used in the Nationalist capital and towns around here, chiefly because the soldiers and employes of the military offices were paid with such notes, and the merchants accepted them unwillingly and sometimes under *force majeure*. Needless to say they were not accepted by the government railway ticket-offices and other government offices for payment of taxes, although the bank was supposed to be the official bank of the central government. It is true that the notes could be cashed at the local offices of the bank, but an individual could cash only $10 worth of "small money" notes in one day, and sometimes the waiting line was so long outside the bank premises that many people waited for days without having a chance to get their notes cashed. As a result the shops in Nanking refused to take notes over the value of one dollar."

City of Tsinan Isolated by Food Embargo

The "*Hsien Tang Pu*, or district party boards, composed chiefly of students, have established an effective food embargo which completely encircles the city of Tsinan, Shantung," the purpose apparently being to "starve out" the Japanese military garrison consisting of some 3,000 troops still stationed in the city. According to a letter received in Shanghai from a foreign resident of Tsinan, these district party boards have recently become active in western Shantung and have established a food embargo about Tsinan which is so effective that the price of flour and other food products jumped 40 percent in two days. The embargo is aimed at the Japanese for the purpose of preventing them from purchasing supplies from the local farmers, but according to the report, the chief burden has fallen on the Chinese population owing to the fact that the Japanese are able to import their food from Tsingtao.

The letter containing the foregoing information also stated that trade in Tsinan is now about 60 percent of normal and while the Japanese firms have been doing some business they are having more difficulty than other foreign firms. It was also stated that there are prospects of the Tientsin-Pukow Railway being reopened shortly provided the Railway Administration can obtain funds for the construction of two bridges on each side of Tsinan.

U. S. Navy Day in Shanghai

U. S. Navy Day (Saturday, October 27) was celebrated in Shanghai on a more elaborate scale than is usually customary in the United States itself. Both branches of the service, the "bluejackets" and the Marines, united in a program that was a credit to America in every respect.

From the point of view of public interest the outstanding event of the day was the Marine demonstration in Billet No. 10 on the grounds of St. Jeanne d'Arc College in the French Concession. Here the visitors had the various implements of war, methods of combat, and the "inside" generally of how a modern campaign is conducted explained to them. After a youthful American had pulled the trigger of a machine gun and the spectators had got the din out of their ears a Marine officer explained the history and mechanism of this weapon. Range finders and other technical instruments were likewise demonstrated. Practical use was made of the field kitchen in furnishing a free supply of doughnuts and coffee to the visitors.

Thousands of visitors took the opportunity to inspect the various American war vessels in the harbor, a frequent launch service being maintained between shore and ships.

On Monday, October 29, Admiral Mark L. Bristol, commander-in-chief of the Asiatic squadron, on board the *Pittsburgh* accompanied by the three cruisers, *Trenton, Memphis and Milwaukee*, which also carried two companies of Marines, proceeded to Guam for maneuvers.

In the evening of Saturday, October 27, Navy Day in Shanghai was brought to a close with a very successful smoker at which Admiral Bristol was the guest of honor. The Town Hall was crowded to witness a program of boxing and wrestling events between men of the two services. The Fourth Regiment Band supplied suitable music. A number of Chinese officials including Dr. C. T. Wang and Dr. H. H. Kung as well as other foreign officials here attended as guests of Admiral Bristol. The Russian unit to the Shanghai Volunteer Corps provided vocal music.

Japanese Budget Shows Eighty-two Million Yen Deficit

The following is a Toho (Japanese official) News agency dispatch from Tokyo, dated October 30

At the last Cabinet Meeting for the discussion of the Government Budget for the year 1929-1930 the following decisions were made and later promulgated by the Department of Finance, simultaneously:

Annual Revenue	Yen 1,670 982 000.
Annual Expenditure	1,752,504,000.
Excess in Expenditure	81,522,000.
Imperial Household	4,500,000.
Foreign Office	21,716,000.
Ministry of Interior	218,947,000.
Ministry of Finance	386,510,000.
Army	232,077,000.
Navy	268,060,000.
Ministry of Justice	37,114,000
Ministry of Education	143,296,000.
Ministry of Agricuiture and Forestry	63,110,000.
Ministry of Commerce and Industry	13,015,000.
Ministry of Communications	363,209,000.
Ministry of Colonization	945,000.

As to the excess of expenditures, it is said that the Government will make it up with the sum defrayed from the Government resources in the additional budget, 1928-1929, etc.

The Budget shows a decrease in the amount by Yen 21,679,000, and the total of the expenditures to be applied to the new enterprises of the Government is said to be Yen 130,000,000

Feng Yu-hsiang Orders Shensi Monks to Construct a Road

According to the *Ta Chung* news agency, Marshal Feng Yu-hsiang has ordered the Buddhist monks who control a monastery at the town of Huayinghsien in Shensi province to construct a modern road from the monastery to the town of Huaying. The report stated that Marshal Feng visited the monastery on his recent trip to Sianfu, the capital of Shensi and found that the inmates of the monastery owned large tracts of land in the vicinity and subsisted entirely upon the income they received as rent from the farmers and in consequence did no manual labor. He immediately gave orders to the local magistrate to put the monks to work building a new road. Some fifty of them are now so employed.

Trade Inquiries

The following trade inquiries have been received at the office of the U. S. Trade Commissioner, 3 Canton road Shanghai.

Radio and Electric Equipment.—A firm dealing in radio and electric equipment is interested in securing an agent in China.

Paper Machinery:—Manufacturers of suction rolls, shower pipe and rotary vacuum pumps for paper machinery want to enter the China market.

Welding Machines and Welding Wire:—A firm manufacturing electric welding machines and welding wire wishes to place their products on the China market.

Lathes:—A Seattle firm would like to secure a representative for the sale of its heavy duty and high production Turret Lathes.

Fountain Pens:—Manufacturers of fountain pens and pencils wish to be put in touch with a representative for the sale of their goods in this district.

Radiators, etc:—A firm manufacturing copper, asbestos and cork gaskets; radiators for cars, trucks and tractors; force feed lubricators for steam, gas and Diesel engines want to enter the China market.

Culverts:—Manufacturers of culverts are anxious to enter this market.

Import and Export Representative:—A New York firm informs us that it is in position to act as representative for import and export firms in China.

Lamps and Self-Heating Irons:—Manufacturers of gasoline and kerosene lamps, lanterns and self-heating irons wish to secure an agent in this market.

Japanese Say Oriental Co. Loan Not Intended For Manchuria

A *Reuter* dispatch from Peiping, October 30, stated that with reference to the report of the floating on the New York market of a loan of $19,900,000 on behalf of the Oriental Development Company, through the National City Company, although the negotiations have been virtually completed, a spokesman of the Japanese Legation states that it is a misapprehension to assume that the loan will be employed for the development of Manchuria. It will, he says, be used for the redemption of the old loans of the National City Co. The Oriental Development Co. it is stated has operated chiefly in Korea Its only investments in Manchuria are stated to have been made some years ago during the "boom" period, when several million yen were invested in immovable property mainly in Harbin. The Company claims to have lost considerably in that venture, and has since confined its attentions to Korea.

Shipping Board Freighter Crashes into Japanese Wharf

The U. S. Shipping Board vessel *Edenton* crashed into the Nippon Yusen Kaisha's wharf at Shanghai, October 29, where three lighters were damaged. Several native cargo boats were also overturned and sunk, causing injury to three persons and drowning three others. The Nippon Yusen Kaisha officials state that the damage will aggregate Mex. $75,000. The *Edenton* is operated by the American Pioneer Line, for which the Dollar Steamship Co. are agents in Shanghai. According to Wm. P. Hunt, local manager of the Shipping Board, the accident occurred as a result of the captain of the steamer trying to avoid the Japanese liner *Paris Maru*, which had grounded in the Whangpoo near the Garden Bend.

Peiping Being Rapidly Deserted

A *Reuter* message from Peiping during the week stated that about a thousand more shops in Peiping have closed during October, making over 3,500 since the removal of the capital to Nanking, while hundreds of other shops desire to close, but the police refuse to suspend their licenses.

More than 10,000 families have left Peiping and the rents of Chinese houses have greatly fallen, bringing virtual ruin to numerous property-holders, while the poor are facing the worst winter in generations.

Developing Silk Industry in Kiangsu

BY PAUL K WHANG

There is no reason to account for the fact that the silk industry of Kiangsu province has centered around the regions bordered on the Taihu Lake, while a vast tract of land west of Chinkiang, though its climate and soil are equally adaptable for the cultivation of mulberry trees, has been laid waste and untouched. Lack of initiation and promotion on the part of the government and silkmen is probably the only reason we can conceive. For the past sixteen years, the government has exerted its whole energy in conducting warfares, and therefore has no time left to turn its thought to the promotion of the silk industry; and owing to the disturbed condition resulting from the constant warfares, the silkmen have been likewise indifferent to development. As a result, the cocoon production of Kiangsu province has been gradually deteriorating in quality, thereby the quality of silk having been very much affected. It is true that many energetic silkmen have been working incessantly on the improvement of the quality of cocoons, but their efforts, without the support of the government and the cooperation of other silkmen, have borne very little fruit.

This year the problem for the development of the silk industry becomes more urgent, inasmuch as the Spring crop of cocoon production was not well harvested and many farmers, having lost money owing to the cheap price of cocoons, have attempted to cut down the mulberry trees and plant rice instead. If this is the case, the quantity of cocoon production for next year will be considerably decreased, and the silk industry of Central China will be very much affected. This news, be it true or otherwise, has very much worried our silkmen.

During the past few years, the International Committee for the Improvement of Sericulture has worked indefatigably on this problem, and established experimental stations in different regions for that purpose. Through its long experience and scientific experiments, it has recently cooperated with the leading silkmen to draw up a project proposing development and promotion of the silk industry in Kiangsu on a big scale. The essence of the project which is embodied in a petition to the government is as follows;

The Extent of Land

The land above Tanyang to Lungtan along the Shanghai-Nanking Railway Line stretches to as far as over 150 li, equivalent to 810,000 mows. According to their investigation, the soil on that section is rich and the land is elevated enough to allow mulberry plantation. It is planned to utilize 600,000 mows for planting mulberry, while the rest is to be used for building houses and roads and farms for the farmers. Thus the uncultivated land can be turned into mulberry field and many people unemployed can find employment.

Estimated Quantity of Production

Generally speaking, each mow of land can produce 70 kins of fresh cocoons. It is estimated that at least 336,000 piculs of fresh cocoons could be produced out of 600,000 mows of mulberry, which will be equivalent to 112,000 piculs of dried cocoons. On the basis of four piculs of dried cocoons (disease-free eggs) to make one picul of raw silk, there will be 28,000 piculs of raw silk. It is also estimated that the government tax on the above amount of products will amount to $1,700,000 annually.

Amount of Capital Needed for the Project

In addition to the cost of land which is set at $20 per mow, the necessary expenses for cultivation will not be less than $15 per mow. In case each farmer is given from 20 to 25 mows of land, the whole area would provide for more than four million unemployed farmers of the province. It is also planned that each farmer with his family is provided with one house, the cost of which is figured at $300. The above three items alone will amount to $40,500,000 not mentioning the fees for building the experimental stations and schools, and maintaining the police force. Therefore the whole amount of money required for converting the above piece of land into mulberry farms with complete accommodations for the farmers and facilities to all concerned is no less than fifty million dollars, which sum can hardly be secured at one time. It is arranged that a period of twenty years will be set for the purpose of turning this vast tract of land into mulberry farms. This means that every year a little more than 40,000 mows of land will be cultivated with an annual expenditure of $2,500,000, and that after twelve years the rest of the land can be financed through the returns of the cultivated ones.

The Ownership of the Land

The cultivated land shall belong neither to the government, nor to the province, nor to any business corporation, but to the farmers themselves. Each mow of land together with the house is valued at $70. Assuming that each farmer is alloted 20 mows of land, the total value of his possession will be $1400. This money shall be paid back by the farmer in a period of 12 years beginning from the third year after his settlement on the farm. After 11 years, the farmer will be the real owner of the land. It is also regulated that no farmer will be allowed to cultivate more that 40 mows of land.

The project thus outlined above can be only carried out by the government, but if the government is not in a position to supply the required capital, a private corporation might be organized for this enterprise. However, no matter who invests the money, the government or private corporation, the ultimate ownership shall be vested upon the farmers themselves in accordance with the plan mentioned above. When the aforesaid piece of land is entirely cultivated for silk industry, thirty or forty silk filatures are likely to be built in the neighborhood. Thus it will give employment to thousands of male and female workers; and it will bring to the merchants and the people at large an annual income of over $34,000,000 and to the government an average income of $1,700,000.

Silk Filature and Cocoon Guild.

Shanghai, Oct. 29, 1928.

The U. S. Senate and the Treaties

BY CHARLES JAMES FOX

(Editor North China Star)

Although the political thoughts of Americans are now centered on the beginning of November when the supreme question of the next President of the United States will be settled, from an international point of view, the beginning of December, when the United States Senate meets, is really of far more political importance. The coming session of Congress is known as the short one, as the present Congress automatically goes out of existence on March 4 next. There will not be many appointments submitted by the out-going Coolidge Administration and as all appropriation bills have to originate in the House of Representatives, the Senate, early in the session, will have ample time to devote to international affairs, especially in connection with the Kellegg Peace Pacts and the Sino-American Treaty which will be submitted for its ratification.

Senator Borah, Chairman of the Senate Committee on Foreign Relations, feels certain that the Peace Pact will be ratified, but word has been received from Washington that the ranking Democratic Member of the Committee is going to air his views regarding a Monroe Doctrine reservation to the Treaty, which gives promise of verbal "fire-works" in the debates on the floor of the upper house of the American Congress. Another point of interest is that the ratification of the Kellogg Peace Pacts to which Soviet Russia is a signatory, will entail the virtual recognition of Russia by the United States. Senator Borah is said to be of this opinion and he persists in his firm conviction that the Washington Administration should recognize Soviet Russsia.

The Sino-American Treaty will also come up for consideration. The fact that there was, possibly inadvertently, no time limit stated in the treaty will not escape the Senate's attention, and it is thought likely that the Senate may add a reservation in the form of a declaration that a tariff treaty can be denounced by either party, which principle would have a marked influence upon Chinese affairs just at the present time when Nanking is determined to announce tariff autonomy on January 1, all then existing treaties notwithstanding. Many tariff, or commercial, treaties have been denounced within recent years and if the Senate goes on record in this matter as regards the American treaty with China it will have considerable influence on live interational issues between China and some other countries.

At all events the members of the Senate will have next December ample time and much material for interesting debate on international affairs of vital interest to China and of considerable importance to other nations as well. There are excellent chances that the debates in the United States Senate will be followed with more international attention than has been given them since the days when the Senate repudiated the Versailles Treaty with its League of Nations.

Representative of American Founders Corporation in Shanghai

Mamio Ohtomo, representative of the American Founders Corporation of New York City, arrived in Shanghai during the week to investigate the possibilities in China from the standpoint of economic and financial development and reorganization. Mr. Ohtomo, during his stay in Shanghai, is the guest of Mr. Yamamoto, manager of the Bank of Taiwan. The American Founders Corporation, which is registered in Maryland, is affiliated with a number of other companies and trusts, through whose agency the combined funds of numerous participants are invested in a diversity of securities with the object of attaining safety of principal through distribution of risk.

The Tariff Fossil

BY KAN LEE

ANY visitor to the city of Shanghai, who happens to come from over the ocean or along the Yangtze River route would never have failed to notice the huge customs clock, supposedly to be accurate to the fraction of a second, which adorns a big, nine-story concrete building, massive and beautiful, a new addition to Shanghai's "skyline" on the Bund along the Whampoo. On the northeastern corner of the building, if the visitor is inquisitive enough to come quite close to the building, he would have noticed a granite cornerstone, inlaid with marble, on which inscriptions appear both in Chinese and in English, informing the stranger that the same cornerstone was laid in the year 1915, jointly by one Mr. Chu, who at that time held the post of Superintendent of Customs, and Mr F. W. Maze, Commissioner of Maritime Customs, who, as all old China-hands ought to know, has held that position for these many years past, and has since been raised to the rank of Deputy Inspector-General. On the facade of the building are inscribed the words "Customs House", for here is the Shanghai headquarters of the Chinese Maritime Customs Service On the opposite side of the street, facing the front of the building, the sightseer would have seen a bronze statue, bearing a stately figure slightly bent with age, which is the statue of Robert Hart, the late Inspector General of the Chinese Maritime Customs for nearly forty years. A singular reminiscence of the old times indeed; for the building, itself is a thoroughly modern structure, suggesting nothing of the past and by-gone days.

Time has changed; and has necessitated changes. The port of Shanghai was once a mere village; it has grown to be a modern city, nay the most modernized and magnificent portal to the Orient. From a handful of inhabitants the city has grown, until, in less than one hundred years, it boasts of a cosmopolitan population of two and a half millions, according to the latest report. The trade of the port, too, has prospered; and the volume of commerce has grown by leaps and bounds. Shanghai has long since cast away its garb as a mere inland port of call; its total trade now, in imports and exports, amounts to well over one and a half billion dollars a year. The customs service also has grown in order to meet the increased needs. The old buildings and old accommodations were found inadequate; demands for new quarters and additional facilities were readily and adequately met. Thus the new Customs House, the center of Shanghai's civic pride, is the last word in scientific achitecture. From every angle it reflects modernity and progress.

No Change in Tariff

If time has wrought changes in the buildings and accommodations for customs collection, the same changes, we would naturally expect, should also have been necessary in the Chinese tariff, upon the basis of which the Chinese Maritime Customs is functioning. But on this one is destined to be disappointed. The modernity and up-to-dateness of the buildings and equipment which comprise the customs collection machinery only help to show in bold relief the antiquity and obsoleteness of the Chinese Customs Tariff, which the customs authorities now administer, the same Customs Tariff, in essence, that their forefathers and predecessors administered three quarters of a century ago!

There are many people who realize the necessity of Tariff reform in this country. Due to the lack of proper publicity, few persons, however, are actually aware of the real state of things. How many, for example, know that the prevailing Export Tariff has been in force, ever since the memorable year of 1858? The growth of factory products in China, indeed has necessitated certain additions to be inserted. But aside from these minor changes the Chinese Export Tariff has remained, essentially in the same form, as when it was shaped some three score and ten years ago! What old memories it would revive, that in perusing the present edition of Export Tariff, we suddenly find that we are actually subject to the same rate of duty, as our great grandfathers were! Many an article have become obsolete since the days when the Tariff were put into force, still more have ceased to form an export item. The duties, which originally were meant to be an effective five percent, have constantly been lowered by the natural and gradual rise of prices. At present they amount, on the average, only to some 1.4% of the value of the merchandise. Time has wrought many changes to the channels of trade and the articles, of commerce, but still the same old Export tariff schedules obtain.

Export Tariff Antiquated

What we have said concerning the Export Tariff may also be said, though applicable to a lesser degree, concerning the Import Tariff. The Chinese Import Tariff is less antiquated in form than the Export Tariff, but is just as obsolete in its fundamental design. Since its first promulgation in 1843, the Import Tariff has been revised four times. Superficial and inadequate as these revisions are, they have succeeded in putting on the present Import Tariff a semi-modern aspect. But in its fundamentals the Import Tariff has always remained the same rudimentary and unscientific piece of work.

To enumerate some of the basic evils pertaining to the present Import Tariff, the point cannot be emphasized too strongly that the source of all troubles is the conventional provision, that the tariff rates are to be computed at a flat 5%. Whether the system may find any parallels in the tariff history of ancient and medieval nations, we do not profess to know. That it is a unique example at the present time is, however, certain. From the point of view of a protective tariff, it is entirely inadequate; from the point of view of revenue, it is unproductive. Protective tendencies aside, the present recognized principle is that a tariff can be made productive only when a sufficient rate of duty is applied to a few commodities of universal consumption. The sufficiently high rate insures a handsome income; the small number of dutiable items causes the least amount of obstruction to commerce. The existing Import Tariff is a flagrant example of direct violation of this economic principle. Inasmuch as the duty is made uniformly low, few commodities come in duty-free, while the total revenue is comparatively small.

But even to say that the duties of the present Import Tariff is a flat 5% is an exaggeration. Statistics has adequately shown that, due to low or defective valuation, the average duty has never been over 4.3%, and for many years it fell much below that figure. The financial loss to the Chinese government due to this cause alone would have run into millions.

The present Import Tariff, besides, evinces traits of careless and inadequate revision. The Tariff Revision Commissions that sat in the past were mainly concerned with the fixation of prices, and little attention, if any, was directed towards the improvement of articles, in name or substance, that appeared in the Tariff. The classification and general appearance of the present Import Tariff, consequently, are defective. Sometimes articles appear which are better omitted; in other cases important articles of import, or even important classes of merchandise, are left out altogether. Machinery, for example, has become a regular commodity of import. Watches and clocks in the Chinese market today are largely imported from foreign countries. No mention of these articles, however, are made in the present Import Tariff.

Why Has It Remained in Force

This review of the short-comings of the present Import and Export Tariff necessarily suggests the question: why, in these many years, has the present Tariff, with its many evils, suffered to remain in force? Why is it that, while new Customs Houses have been built, while new machinery of customs collection have been installed, no effort has been made towards the improvement of the Import and Export Tariff? What a contrast between the ultra-modern Shanghai Customs House, a standing monument of the New, and the dust-covered, worm-eaten Tariff that is being enforced, reminiscent and savoring of the Old Order that is past and gone! The answer is only too apparent, While realizing the necessity of modern facilities and scientific organization, the Powers, with whose consent the Chinese Conventional Tariff was originally drawn, are too insistent upon the continuance of old rights and privileges that were exacted of China on the point of bayonets, and are suspicious of any change lest these rights and privileges might be impaired, or even withdrawn.

But withdrawn they must be. The growing national consciousness of the Chinese, encouraged and supported by the world public opinion, which until now has been dormant and unmindful of affairs far in the Orient, ordains that such anomalies cannot long continue. The Powers gathering at the 1925 Tariff Conference at Peiping had at last come to agreement on one principle, namely, that they recognize one and all China's claims towards tariff autonomy. The principle receives further assurance in the recently concluded Sino-American Treaty, and in the draft of the proposed Sino-German Treaty. The sincerity of these declarations remains yet to be seen; but a good beginning, as the saying goes, is worth half the battle.

Copies of the New China Edition of "The Review" are on sale at $1.00 per copy

A Chinese Pioneer of Trinidad's Oil Wells

BY ARTHUR A. YOUNG

We have heard of Chinese as philosophers, diplomats, business men, but have you ever heard of a Chinese as an oil pioneer?

It was left to Lee Lum, a Chinese merchant in the island of Trinidad to demonstrate to the world that the Chinese also have the instinct of successful pioneering.

Trinidad, tropical Riviera of the Caribbean, now spurts no less than five million barrels of oil annually. It is the most important oil-bearing island in the West Indies. How Chinese luck played its part is worth the telling.

When Trinidad was yet uncertain as to whether it was a repository of oil, Randolph Rust, an Englishman, in conjunction with Lee Lum, produced a small star drilling rig and began to bore in the Aripero Estate.

In those days, petroleum hunting in the island was not only unknown but also perilous. It required much effort and hard work to get the tools transported into the interior. Twenty-five years ago it took two days to reach Guayaguayare. There were no roads. You had to fight your way through tropical jungles, and run the risk of encountering wild beasts and deadly snakes.

When an outcrop of small pitch was discovered near the Pilotes River, Lee Lum and Rust purchased all the adjacent lands from their private owners. The following year a partnership was formed, together with the Walker Brothers of whiskey distillery fame, and an oil exploration company started.

Further investigation showed that the surrounding primeval forest lands possessed large deposits of petroleum extending for miles. A large quantity of machinery was ordered from the United States. The first derrick was completed in May 1902 and by the following July the bore—hole at a depth of over 1000 feet struck an oil-sand of rich content.

Though efforts were made to drill oil in Trinidad decades before, this was the first successful attempt, on which hinged the birth of a new industry. Since 1902, more than 100 professional geologists have been working the island for oil at one time or another.

Oil is today replacing asphalt as Trinidad's leading industry, the island spurting for its motherland five million barrels annually and petroleum products replacing cocoa as its ranking export. Strategically, Trinidad in the South and Jamaica in the North constitutes Great Britain's imperial key to the Panama Canal. During the war, the island supplied the warships, protecting the West Indian coasts, with oil.

Internationally, the output of Trinidad is comparatively small. What Trinidad boasts of in a year, it takes the United States but a few days to equal. But considering the size of the island, which is only 1754 square miles, and the obstacles that beset the geologist in its jungle interior, an output of five million barrels a year is significant.

The pioneering effort in which Lee Lum participated awakened the island. From the beginning made in 1902 when a few barrels of crude oil were brought from Guayaguayre to Port-of-Spain by sea up to the present time, the oil industry has grown, employing today 5000 people.

In the last two decades, because of increased interest in oil, the island is interlaced with threads of passable roads. Now you can leave Port-of-Spain in the morning and reach the wells by noon—a trip that formerly took two to three days.

The Lee Lums are the wealthiest Chinese on the island. Their holdings are vast, from managing cocoa estates to running a quarry, from importing and exporting to owning a little island. Sons have attended Oxford. Social as well as financial leaders, they have set the example for the few thousands of their countrymen who have made Trinidad their permanent home.

As a class the Chinese in Trinidad have a community foothold. One has held office on the city's council. The city senior medical officer is a Chinese; the leading drug store is run by a Chinese; one of the most successful bankers is a Chinese. In summer, they visit London, Paris, Hongkong, and sometimes New York.

Chinese have won the island's scholarship many times, the recipient being granted a course of professional study in a British seat of learning. Quite a few are graduates of Oxford, London, Edinburgh. Trinidad teems with Chinese physicians, dentists, lawyers, and other professional representatives.

Eugene Chen, who later became foreign minister of Nationalist China, was born in Trinidad, where for years he practiced law. He was regarded as one of the most successful solicitors in St. Vincent Street, the island's legal row.

Unlike the Chinese in the United States, many of whom have turned to the chop-suey and the laundry trade, the Chinese in Trinidad are largely small merchants. They control fully 85 per cent of the retail outlets, and are an important link in the island's distribution chain. Were they in America, they would be subject to incessant targets of manufacturers who seek distribution for their products. In Trinidad, they are let alone.

The elder Lee Lum returned to China years ago where he passed away. His sons and heirs keep the name alive in Trinidad.

Cleveland, Ohio, Oct. 15, 1928.

Opium Suppression Conference Meets at Nanking

The National Opium Suppression Conference which convened at Nanking on November 1 is being attended by delegates from all Provincial Governments and Special Municipal Areas as well as by those representing popular anti-opium organizations. The Conference has been convened with the object of studying questions concerning of the enforcement of the new opium policy of the National Government—that of absolute suppression—and to present to the Government in the form of proposals the results of its deliberations.

Besides the ordinary delegates, the National Opium Suppression Committee has invited to the Conference a group of Chinese having special knowledge of the various phases of the opium evil. Among those invited is Dr. Wu Lien-teh who, in addition to being a prominent plague specialist, is also well-versed with drug and opium problems.

In connection with opium suppression, the National Government has recently received a report from the Ministry of Finance stating that effective steps are being taken to liquidate the affairs of the Provincial Opium Suppression Bureau, which, according to the Opium Suppression Act, must be abolished before December 1, their work to be turned over to the various grades of local governments.

Among the delegates participating at the conference are the following:—

Wu Kwang-chung, representing the Commander-in-Chief of the Navy; Wang Shu-kong, representing General Li Chi-sen; Chang Hsi-chien, representing Commander-in-Chief Chiang Kai-shek; Liu Tsu-lung, representing General Feng Yu-hsiang; Ma Ying-chu, representing the Chekiang Provincial Government; Yen Tsu-chang, representing the Kiangsu Provincial Government; Tsao Chen-fi, representing the Special Municipality of Shanghai; Chen Sih-nan, representing the Shantung Provincial Government; Sun Chen-wu, representing the Special Municipality of Peiping; Chen Chi-shen, representing the 37th Army; Yang Chien-hung, representing the Specialty Municipality of Nanking; Li Chen, representing the Kwangtung Provincial Government; Tan Sing-huen, representing the Kweichow Provincial Government; Pong Chen-wan, representing the Kiangsi Provincial Government; Liu Pi-ta, representing the Shensi Provincial Government; Hu Yu-wei, representing the Kansu Provincial Government and the Commander of Bandit-Suppression for Kansu; Chang Ying, representing the Shensi Chamber of Commerce; Chang Tu-lan, representing the Shansi Provincial Government; Chang Yi-sen, representing the Shansi Chamber of Commerce; Yang Chi-an, representing the Nanking General Chamber of Commerce; Chen Yuan-fan, Lu Yuen-yen, Chen Ti-sen, and Huang Chia-wei, and Miss Ting Shu-ching, representing various opium suppression organs.

Japanese Negotiating Over Hanyehping Loan

The Deposits Bureau of the Japanese Ministry of Finance, according to a report in the *Japan Advertiser* on September 27, has opened negotiations with the Ministry of Commerce and Industry of Japan to take over a loan of Yen 42,000,000 which the Deposits Bureau made several years ago to the Chinese Hanyehping Coal and Iron Company of Hankow. None of the interest or principal on the loan has ever been paid, according to the report in the *Advertiser*, which stated that the officials of the Deposits Bureau are trying to induce the Japanese Government Steel Works, which is under the Ministry of Commerce and Industry to assume the loan obligation. It was alleged that the Government Steel Works realized a profit of Yen 180,000,000 out of iron ore and pig-iron which was supplied from the Chinese Hanyehping Company during the World War, the Chinese concern being compelled by contract to supply the iron at pre-war prices despite the fact that prices for pig iron soared to tremendous heights in the world's markets on account of the war demand for the product.

Japan and Manchuria

(The New Republic, Sept. 12)

OF THE four elements in the present quarrel between Japan and China, three could be settled without much difficulty. The Chinese Nationalists could arrange about the Nanking affair as they have already done with Great Britain and the United States. The Tsinan-fu incident is more or less the same thing with the roles of the two nations reversed. The dispute over the abrogation of the commercial treaty could be settled if Japan would sign a new agreement with China like that the United States has negotiated, giving her most-favored-nation treatment. The real and serious issue between the two powers is, of course, the future of Manchuria.

For many years this province was ruled by the ex-bandit, Chang Tso-lin, who was hardly more than the representative of Japan. So openly was this the case, that when he was beleaguered in his capital by Chinese soldiers, Japanese troops raised the siege and restored him to authority. But today, Chang Tso-lin is dead, killed as he fled north before the victorious Nationalist armies which turned him out of Peking. Manchuria is nominally ruled by one of his sons, but the boy is a weakling and seems unlikely to last long The Nationalists are insisting that the province belongs to them, and legally their case is excellent. Chinese sovereignty was recognized in the Nine-Power Treaty which grew out of the Washington conference of 1921, and the Japanese position is an extra-legal one except in regard to control of the South Manchurian Railway. Even this, and the lease of Kwantung, are disputed by China. Spokesmen for the Tanaka government do not dare to admit that they hope to get complete political control; they only say that Manchuria must not be turned over to the Chinese government just yet The reasons alleged are that that government is still insecure, and that it is tainted with radicalism. These statements, however, are somewhat less than candid. While they are being made, other and less official Japanese spokesmen repeat what Baron Tanaka said a year ago that Japan's "special interest" in Manchuria must be recognized and will never be abandoned. The demand is based on the vast number of men Japan lost in the war with Russia, the huge investments her bankers have made in Manchuria, the claim to control of the South Manchurian Railway, and the economic importance of the province as a source of raw materials for Japanese manufacture, and as a market for her goods.

Japan's Surplus Population

Behind all this, there is a situation in Japan about which her statesmen rarely talk, though it probably colors their actions more than any other. In the past hundred years, Japan, like some of the Western powers, has been on a debauch of babies, a joy-ride of overpopulation As a result, she has reached a position similar to that of Great Britain, discussed by Mr. Brailsford in last week's issue of the *New Republic*. Great Britain can supply from her internal resources food for about one-half her population, or some 22,000,000 people. Japan is feeding about two-thirds of her 60,000,000.

Until less than a century ago, the Japanese population was stationary, and was probably well under 30,000 000. It was kept down, we are told, by the same device used in Polynesia and elsewhere—ruthless and widespread infanticide. With the opening up of the Island Kingdom to Western influence, infanticide greatly diminished, and as sanitation improved, the death rate declined. The birth rate, however, did not fall at anything like a corresponding speed; while the Europeans taught the Japanese many things, birth control was not one of them. In 1926, the Japanese birth rate was 34 8 per 1 000 per annum. That rate should be compared with one of 27.2 in Italy, 20 6 in the United States, 19.5 in Germany, 18 8 in France, and 17 8 in England. It is true that the Japanese death rate is higher than that of any of these countries, but the difference is not so great as in the case of births. The Japanese rate per 1,000 persons per annum is 19.2, that of France 17.4, Italy 16.8, the United States 12.2, and England and Germany both 11.7. Thus the Japanese annual increase is very much the highest. It is 15.6 per 1,000 persons, one of the largest in the world. It may be compared with Italy's increase of 10.4, the United States' 8.4, Germany's 7.8, Great Britain's 6.1, and France's 1.4.

It is true, of course, that the birth rate in Japan is falling somewhat, as it is all over the world; but as the statistics reveal, the decline there has been less than in any other important power. Nor is it likely, as things now are, to continue. The Buddhist religion which most of the Japanese follow, is opposed to birth control, and the government's attitude is on the whole hostile. Professor E. A. Ross estimates that not more than 1 percent of the people are sufficiently westernized to make voluntary limitation of offspring a possibility during this generation. The death rate, on the other hand, could without much difficulty be reduced 50 percent. Particularly is this true of the infant death rate of 137.5 per 1,000 live births, which is more than three times of New Zealand, the leading country in this respect.

Rapid Industrialization

This tremendous increase in population, most of which has come within the past seventy-five years, has accompanied the industrialization of the country. As in other parts of the world, the increase in factories and in population act upon each other in a vicious circle. Machines need workers, and at the same time make it possible to find food for them. Since the year 1900, Japan's foreign trade has increased ten-fold, and her machine equipment, and the number of persons employed in industry have grown in the same or a greater proportion. Today her 60,000,000 people are crowded into an area which is a little larger than Montana, but is much smaller than California. Even of this amount of land, five-sixths is untillable. The average Japanese farm is less than an acre in extent, and most of her people are sunk in poverty.

While Japan is able to support her surplus 20,000,000 as Great Britain does, by exporting manufactured goods and importing food, this is a process on which neither country can rely indefinitely. Japan's two best customers are the United States and China, which take respectively about 40 and 25 percent of her exports Chief among the products which go to America is silk; and the artificial silk industry is already a dangerous rival to the product of the worm. Other exports to our shores are menaced by the vagaries of our tariff system, and by the expansion of our industry which, through improved technical methods, tend to overcome Japan's advantage of low wages (which do not necessarily mean low labor cost). Broadly speaking, Japan sends nothing to China which the latter country cannot manufacture for itself, as it proceeds through the same cycle of industrialization. Great Britain, in a plight like Japan's is lowering the birth rate so rapidly that, as things are now going, within a decade her population will have ceased to expand; but, for the reasons indicated, Japan has thus far taken no steps in the same direction.

This set of circumstances was, of course, partially responsible for Japan's action in annexing Korea, obtaining part of Sakhalin, and leasing Kwantung. It is not be wondered at that Manchuria should also enter into her calculations. Manchuria has huge resources, and is comparatively empty, with a population of only 25,000,000 A million Chinese have come up to it from the South in a short time, and two million more are expected to do so—against a total Japanese population of only 200 000. Already, a large part of the Japanese food comes from that province. It offers a growing market for Japanese manufactures. Japanese statesmen still adhere to the argument of the Italians, that emigration relieves population pressure, although the experience of generations, and the Italian example most of all, demonstrates that without artificial limitation of population in addition it does no such thing, and that as fast as the emigrants are sent away, the cradles are filled again.

While the population confronting the Japanese is a serious one, it is, of course, a domestic question only. The day has passed when any nation has the right to use its own reckless overbreeding to justify a course of action in international affairs which would be inexcusable if its population were stationary. The only way out for Japan is, not to take more territory on the mainland, but to cut birth rate; and the sooner she begins to take steps in this direction, the better. There is, obviously, no objection from the point of view of China, or anyone else, to her maintaining and increasing her trade with Manchuria. That development, however, does not necessitate any degree of political control of the province. There is no reason why her legitimate ambitions should not be met through arrangements with the Nationalist government which would benefit Manchuria and Japan alike, produce a greatly increased good will among the Chinese south of the Great Wall, which would be highly advantageous to Japanese trade. What is now an opportunity for Japanese statesmanship is likely before long to become a desperate necessity; and therefore the sooner the task is taken up, the better.

Shanghai Art Club Holds First Exhibition

The official opening of the Shanghai Art Club took place Saturday October 27, at 390 Avenue Foch under very gratifying circumstances. There were over two hundred people in attendance at the opening and the present exhibition (the first) will continue until November 10.

The opening ceremony was begun by C. W. Pennett, chairman of the Club, presenting Mrs. E. S Cunningham, wife of the U. S. Consul General, with a gold key. Mr. Pennett in his opening address stated that the Club was opened purely for art purposes, and not with a political motive. Short speeches were made by Mrs. Cunningham and Dr. Arthur de Carvalho.

The exhibits were generally of a high character and evoked much favorable comment.

Perplexities of a Chinese Host

(From the China Critic Oct. 25)

There are many difficulties confronting a Chinese host. A few of these are identical with what a foreign host might have to endure also. We would here mention only three, commonly to be met with by a Chinese host, but such difficulties may very easily be overcome if his guests would only condescend to give him a little sympathetic co-operation.

When a Chinese wants to entertain a number of his friends at a restaurant, he will, after having sent out his invitations, meet his first difficulty by discovering his own inability to tell whether all or only a few of his friends will accept his invitations. Unlike the foreigners, the Chinese invited never take the trouble to inform their host beforehand of their decision to come or not, so as to enable him to make the necessary preparations for their reception. The poor host is thus obliged to make as shrewd a guess as he can.

Having made the guess and reserved a room, large enough to accommodate four square and four round tables, in a restaurant, (usually eight persons can sit at a square table, and eight to ten persons at a round one), the host will feel perplexed for a second time. While waiting for the arrival of his friends at the restaurant, he will be like sitting on thorns. By the number of tables reserved, we judge that he expects about 70 guests to respond to his invitations. But should only, say, 40 turn up, he feels very much embarrassed as his "face" is lost by having to order the removal of three or four tables.

On the other hand, if all the 100 guests, to whom he has sent invitations, should come, some even bringing their wives and children (especially on ceremonial occasions when the invitation always means to include the whole family, which custom enhances the difficulty of the host to a much greater extent), the host will be placed in a dilemma for lack of adequate accommodation. At the dining hour, generally no spare room can be had for love or money, especially at a fashionable or famous eating house.

Our countrymen were quite alive to this unsatisfactory state of affairs years ago; they endeavored to solve this perplexing problem by the adoption of a plan to secure definite information from the guests themselves. The plan devised to reform the bad habit was to make out and send round a list of all the invited persons, each of whom was asked to signify his acceptance or declining of the invitation under his name. After putting this plan into practice, it worked with good effect at first; but after a time, some clever person, who was not sure of his own mind whether to attend the dinner party or not, struck upon the happy idea of signing the evasive word "Noted" under his name on the list, which did not give the nonplussed host much light as to its true meaning. The pity is that this form of evading to bind oneself definitely one way or the other to one's host has come to stay, and it is in general vogue even today. In fact, it is sometimes improved to "Noted on behalf," meaning signed by somebody for the "invited."

The third factor that adds to the difficulty of a Chinese host is the bad habit of lagging behind, of which a great many people of this country are guilty, although there are also many exceptions to be found among modern educated men. The former have no sense of the value of time and are therefore seldom, if ever, punctual. The host has to wait for them before opening the feast, while the courteous guests must perforce vigorously protest that they do not mind waiting too for the arrival of the late comers, however hungry and inwardly disgusted they may really be.

There are of course other troublous trifles that vex "mine host" in China. But we have exposed enough about the very inconsiderate, not to use a stronger word, behavior on the part of the guests that would outrage the feelings of a host in any other country but China. Still, we cannot help referring to another very annoying custom prevailing in this country, we mean annoying to the host, namely, the prolongation of the marital feasts in a household from one or two days as intended by the family concerned to three days very often, and to four, five or six days rarely, and in some extreme cases to a full week. A few leading lights, among the guests, being aware that the family, usually of the groom, is not going to continue feasting them after the second day of the wedding, subscribe some money among them for the hire of a musical band, or a theatrical company, or some jugglers, or any other form of amusement for the third day, and inform their host and hostess of their gift. The family in question will then feel themselves bound in honor to provide another day's feast for their guests; and similar tactics are followed for the fourth day and so on.

In conclusion, we would like to urge upon our countrymen, especially of the old school, the importance of reforming these bad habits and customs. If the perusal of this article should arouse some ire in the bosom of some of our own people, who may think the picture to be overdrawn, we would plead that it is written in good faith and with the hope that we may witness some social reforms to be effected in the near future, since, in our opinion, social reforms are even more urgent and important than reforms in any other direction, not even excepting political reforms.

The Crisis in Christian Higher Education in China

J. LEIGHTON STUART

(Reprinted from the Chinese Recorder for October)

RECENT happenings in China have had serious consequences for Christian schools. They are at present perhaps the feature of Christian effort in the country most vigorously discussed and most attentively observed both in China and abroad. Especially is this true of the colleges and universities. They have been singled out for hostile criticism and legislative restrictions in anti-Christian agitations and are being attacked by some even of their fellow Christian workers as disloyal to evangelical truth and an hindrance to the cause of pure religion. Between these two extremes there are questionings and complaints, anxieties and forebodings, whether among sympathetic friends and supporters, their own students and alumni, or the Chinese and foreign public. By western residents in China they are bitterly denounced as chiefly responsible for recent disorders and as hot-beds of Bolshevism which is a convenient term for all movements that tend to disturb the established order, just as more than one of them has been instanced in the inflammatory propaganda of the Communist Party as among the institutions that must by all means be destroyed. Their plants being among the most conspicuous and commodious in the centres of Nationalist advance have, when occupied or damaged, led to misgivings as to the wisdom of such expensive forms of educational work. The demand from public opinion and every governing group that Christian schools be registered and the requirement that there be no compulsory attendance on religious worship or required religious courses in the curriculum have forced some of them into an embarrassing dilemma and involved them all in criticism from one or another point-of-view according to the solution arrived at in each case. Less obvious but none the less real grounds of dissatisfaction are found in the inability to provide vocational training that gives economic relief to students and their families or that has social or religious benefit to the nation; the inadequate library, laboratory and other equipment in comparison with government and other private schools or standards accepted in other countries; the inferior quality of Chinese teaching when the nationalistic impulse has revived interest in their cultural heritage and the lack of resources for strengthening the Chinese personnel on the staff, the controversial issues involved in teaching according to accepted modern scientific methods and results while in harmony with religous faith the failure to supply in larger numbers and of finer quality trained workers or active laymen to the organized Christian churches.

Weakness Due to Historical Causes

Some of these weaknesses of the Christian Colleges are due to historical causes. They were founded when western denominational divisions were taken for granted, when communication was difficult and geographical distances seemed great, when requirements were simple and however low the standards other colleges were few and feeble if they existed at all. It was therefore natural that separate institutions grew up unrelated and that each yielded to local ambitions for an expansion increasingly costly and difficult to maintain. The enrollment was small, the personal influence of missionary teachers powerful, and the output could be largely absorbed into professional Christan service. Under treaty rights each institution could develop and make claims for itself untrammeled save for the mission or groups of missions whose control was primarily asserted in the interest of a foreign conceived and financed evangelistic propaganda rather than in that of academic excellence. This entire situation has now been rather suddenly and radically altered, although the tendencies have been felt for some time even when the pressure of more immediate duties or a false sense of security has led to neglect of needed reforms. Few if any intelligent Chinese Christians are interested any longer in maintaining separate colleges because of western ecclesiastical differences and as a matter of fact all of the larger bodies are themselves already committed to union movements. Chinese students now travel with slight hesitation from one part of the country to any other which offers the educational advantages they seek. The growth of strong Chinese institutions together with a realization of their enormous potential resources and of the higher standards demanded of any college or university claim-

ing the name, have combined to awaken the Christian institutions to the necessity for improvement in their equipment and curriculum. It has become essential that provision be made for high-grade Chinese teachers in steadily increasing proportions, and that policy of the institutions be approved by Chinese public opinion. New currents of thought, the nationalistic self-consciousness and the wide-spread disruption of the former economic basis for direct Christian service are all responsible for reducing the number of students who leave the colleges but stay in the service of the churches, and the two former of these factors have reduced the religious effectiveness of the colleges as appraised by conventional tests of missionary success.

Colleges Must Clarify Policy

One advantage in the swirl of recent events is that the colleges are being forced to clarify for themselves their policy and purpose. Are they to continue as undetachable parts of a foreign promoted mechanism which is from its very nature temporary and the control of which is largely dictated in mission board rooms abroad? Or are they to be gradually bequeathed to similar ecclesiastical bodies in China, and if so does this assume the continuance of western denominations or even unions of these in a structurally analogous church or churches of China of which these colleges are functional agencies, to be supported by contributions of Chinese Christians? Or should they win for themselves an established place in Chinese life as private institutions, Chrisian in atmosphere and influence but not ecclesiastically controlled, and if so what will be their basis of support and what the assurance of their continuing religious effectiveness? These are searching questions and the present is a crisis for the colleges in that they must declare themselves in answer to clamant pressure from within and without. Among the problems involved are the following.

Financial. It cannot be too emphatically urged that the operation of a modern college in China will become increasingly costly, and that any institution that bears the name of Christ should justify its title by being thoroughly good of its kind. Mediocre teachers, poorly stocked book-shelves, pretentious lists of subjects that cannot win the respect of students, vaguely cultural courses that fail to fit students for socially significant careers or for their own economic needs, are a discredit to the Christian cause. Mission boards can scarcely increase their annual appropriations and will perhaps decrease these as not a few are beginning to do, whereas at best their help is chiefly in the form of a foreign personnel. On the other hand, endowments are extremely difficult to secure and tend to weaken the organic ecclesiastical relationships with consequent secularization. Funds in any substantial amounts from Chinese Christian sources are not to be expected for a long time and if sought from other sources may endanger the ecclesiastical if not the religious character of the institution. The chief present source of support must be in the United States and conditions in that country make any large financial appeals extremely unpromising entirely apart from all the present objections to giving money for enterprises in China.

National. It is now absolutely certain that the people of China and whatever government may be in power intend that Christian schools become registered. This determination is shared by the overwhelming majority of Chritian Chinese, especially those connected with them. The reorganization of the Board of Managers when necessary to secure a majority of Chinese and the appointment of Chinese executive heads has already proven a blessing in disguise. But the insistence on the voluntary character of religious exercises is causing pronounced difference of views. Some institutions had already decided on purely religious grounds that such a policy was the wiser one. Others, however, have been required by their supporting constituencies to stand for the administrative enforcement of chapel attendance and classes on religion. Whatever western mission board secretaries or educators may argue about educational principles or the right of religious freedom, the issue is at present not so much educational or religious as nationalistic. The Chinese people have both the right and the might to decide the type of schools foreigners are to be allowed to conduct on Chinese soil, and it would seem that the only alternatives ethically defensible and actually feasible are either to comply with the regulations or to close the schools. It may, however, be of encouragement to note the results of a questionnaire sent by a Chinese advisory committee to which forty persons, chiefly college executives, replied. The factors determining the Christian character of the institution were listed in order of importance. The curriculum courses were last in the list with only two votes, and chapel was not even mentioned. Evidently therefore the experience in China would indicate that Christian influence is not as dependent on regimentation by administrative authority as is supposed by some of its western advocates. The anti-Christian objections are very largely due to racial or economic relationships or theological contentions rather than to the real essentials of the religion of Jesus and are therefore to be classed under this heading and from the same standpoint avoided.

Administrative. It is now generally agreed among those connected with the colleges that they are too many in number for available Christian resources in the West to maintain worthily, to say nothing of the Chinese Church of the not too distant future; that the emphasis has been upon continuing and expanding those that happen now to exist rather than—as should be the case—sacrificing extensiveness of effort to quality and efficiency; and that to accomplish the fullest and finest total result the colleges should be and indeed must be correlated so as to achieve a comprehensive, unified program with no needless duplication but with thorough-going cooperation in all respects. This has been argued for ever since the time of the Educational Commission six years ago and is more or less accepted in principle. But the concrete applications have been difficult, not merely on even mainly because of the desires of college executives and their faculties but chiefly because of the constituencies behind them—alumni, missions, boards of control, supporting bodies—and the complicated process for effecting changes.

Must Be Aggressively Christian

Religious. The colleges must continue under news conditions and by appropriate methods to be dynamically and aggressively Christian. They must continue to train students for Christian service as these can be utilized and to inspire as far as possible all their students with the spirit of such service whatever careers they enter. They must make it unmistakably clear that there is no essential conflict between modern knowledge in any field of inquiry and Christian experience, nor between wholehearted patriotism and loyalty to Jesus Christ. Despite the fact that the proportion of studentsfrom Christian homes or middle schools may decrease and that enforced exposure to Christian teaching or emotional appeals will be no longer permissible, they must find even better ways of exerting religious influence. They must commend Christianity in terms that interest and win approbation from the Chinese people of to-day, and are demonstrations of corporate Christian living. They must develop in the Chinese faculty, who will increasingly be in control, whatever is the Chinese equivalent for western missionary zeal, and thus build up a tradition without which their permanent Christian character is doomed. All this must be achieved through spiritual and personal forces as against the administrative controls which have been so largely relied on in the past. It is a tremendous challenge to venturesome faith in the abiding realities of human need and the sufficiency of Jesus Christ to meet such need.

This is in brief the background with which the Council of Higher Education met for a week in July of this year and considered the recommendations of a Chinese Advisory Committee which had been meeting for a month previous. The Shanghai heat was intense and the sessions very strenuous. Any attempt to solve the problem simply by a joint financial campaign in America to enable each institution to do what it desired was felt to be as futile as undesirable. Finally a detailed program was worked out and agreed to by those present practically without dissent. Notably in two features it contained more cause for encouragement than all the difficulties described above can dispel.

(1) *A new attitude.* There was a determination to treat the problems as a common issue and to find a solution which would enable us to work together in a program we can all endorse. If approved by the constituent bodies our distribution will become functional and regional as against the accidental unrelated way in which each college has hitherto developed.

(2) *Chinese leadership.* The most distinctive feature of this Council meeting was the presence of the splendid young Chinese presidents of a number of institutions. It was chiefly their advocacy of the reforms proposed that secured their adoption. They were an earnest of the truly Chinese but no less truly Christian future before these institutions.

Because of these two factors the problems financial, nationalistic and religious, real and acute though they be, can be confidently faced. Meanwhile we who are attempting to do so bespeak the sympathetic understanding and support in all practical forms of all those who desire with us to see these institutions fulfil their highest purpose.

Socony's House Organ "Meifoo Shield"

The *Meifoo Shield*, which is the Far Eastern "house organ" of the Standard Oil Co. of New York, prints in the current (October) issue some interesting notes on Chinkiang by Henry Barton, a graphic account of the piscatorial exploits of L. D. Harris at Amoy, and numerous portraits of employees of the company, among them being that of the late Chieh Tsu-lin, agent at Soochow.

Shantung Impressions and Observations

BY J. A. J.

The province of Shantung, by its geographical position and its immense sea border, is one of the most interesting and important in China. Comprised between 115 degrees and 123 degrees longtitude East of Greenwich and 34 degrees and 38 degrees of latitude North, its length is 510 statute miles by 210 in breadth in its broadest part. Its area is nearly equal to the surface of Scotland, Ireland and Wales combined. Its population is now computed to be 38,000,000 although in 1875 it was already that figure so that it has remained stationary for over fifty years. This phenomenon is due to the tremendous exodus of peasants to Manchuria on account of the better conditions prevailing there.

Tsinan-fu, the capital of the province, is situated on the Tientsin-Pukow Railway, 220 miles to the south from Tientsin and is connected by rail with Tsingtao 266 miles away. It consists of the walled city and the trading quarter, the former being situated on the Hsiao-ching and Yellow River with the chain of the Lishan mountains, famed for the scenic peak of Chien-fo-Shan lying on the south-eastern side, and Mt. Hwa-shan on the north-east, the one on the left and the other on the right bank of the Yellow River. The walls are grand structures encircled by a moat and pierced by eight gates. Outside the west gate of the walls lies the trading quarter, Shang-pu, located in rectangular shape along the Kiaochow-Tsinan Railway line. The most prosperous parts of this quarter are the first and second ma-lus (roads) and the third, fourth and fifth I-lu's. The consulates of the various nations are found in this quarter.

At San Ma-lu there is a park with artificial mounds, athletic grounds, a music hall and fountains. In the northern quarter of the walled city is Lake Ta-ming, the water of which communicates with the ponds and moats outside the walls. The lake, about four miles round, is tastefully laid out with temples and arbors in and around it. In the south of the city stands Li-shan which is also named Chien-fo-shan or "Thousand Buddhas Mountain" from the fact that the path leading to the summit is lined with a thousand statues of Buddha. We found the mountain very picturesque, the summit commanding a panoramic view of the whole city and its neighboring districts. The place is also noted for a magnificent spring in the south-west suburbs, the streams from which flow through the city into a lake on the north side.

An Outlet By Canal

Tsinan has an outlet to the Chihli Gulf by a canal (146 miles), and is situated five miles from its port Hukow on the Yellow River. The Hsiao-ching River has been made navigable in its present course by artificial extension from the narrow waterway. The river was the only means of traffic for the trade of Tsinan until the opening of the Kiaochow-Tsinan Railway. Even now, the number of junks plying between Yankao- kow and Huang-tai-kow exceeds 20,000 yearly. On account of the opening of the Shantung Railway in 1904, it became more flourishing, and in 1906 it enjoyed the distinction of a trade port. Later on, in December 1912, due to the opening of the Tientsin-Pukow Line, it was connected with Shanghai overland, when further prosperity and development were ushered in. Its present population is roughly 600,000 including some 2,500 civilian Japanese, 250 westerners and 15,000 Mohammedans. Tsinan now ranks as the great commercial centre for Western Shantung, where a vast amount of trade takes place in normal times, but with the exception of flour milling and tanning, most of the industries have moved to more favorable locations. The total import and export value of the city reaches roughly $20,000,000 in a normal year, the chief imports being cotton yarn, kerosene, sugar, matches and sundry goods, while the exports consist of groundnuts, raw cotton, strawbraids, hides, ox-bones, etc. We spent only a few days in Tsinan-fu, stopping for a while at the Station Hotel there and a while at Stein's Hotel which was later raided by the Nationalists when they invaded the city in their warfare against the Northern militarists. The Station Hotel people were undoubtedly very courteous, the manager and his wife, both Japanese, treated us as though we were bosom friends but when it came to culinary output, Stein's Hotel easily proved itself to be superior. When we were at Tsinan-fu, the Nationalist advance was a remote possibility although Sun Chuan-fang had just been chased off from Nanking and was making a strong effort to keep the Southerners in check from the Pukow side of the river. At about this time, the Soviet steamer *Pamiat Lenina*, which in English means "Lenin's Memory," was sunk by the white Russians. A good deal of fuss was made by the Soviet Government when the *Pamiat Lenina* was confiscated at the instigations of white Russians in the Northern army, Moscow declaring it to be not in keeping with the principles of International Law, although Moscow itself, when it found suitable to do so, had broken all the tenets of international decency from time to time and are still breaking them at irregular intervals. The *Pamiat Lenina* was the "relief ship" sent by the Soviet Government from Vladivostok to Yokohama at the time of the great earthquake disaster, but the Japanese authorities gave her a time limit to make herself scarce when it was discovered that she had tons of literature aboard, calling upon the "down-trodden Japanese proletariat" to rise against the "dirty Imperialists."

Stray Dogs at Tsinanfu

Perhaps what struck us most while at Tsinan-fu was the number of stray dogs roving all over the city at night. Indeed, we found out in due course that "the dogs of Tsinanfu" have for years been a feature of the capital of Shantung and that several American tourists have even written all about them in magazine articles. These stray dogs seemed to sleep in the day time, only sallying forth after dark in full force. From about ten at night to dawn, we heard them bark without interruption, and every mother's son and daughter of them seemed obsessed with the idea of qualifying for the Grand Opera. From budding tenors to experienced sopranos, they succeeded in making themselves a nuisance all round and even the Chinese hereabouts, accustomed to noises as they were, seldom failed to call down all sorts of imprecations upon them.

One hears very little concerning Chang Chung-chang these days but when we were at Tsinanfu he was certainly "It." A towering figure of well over six feet in height, he inspired fear upon his subordinates—so long as they were in his presence or within easy reach. It was a common saying that Chang Chung-chang did not know of three things—how much money he had, how many soldiers he had and how many concubines he had. This was probably an exaggeration but unquestionably he had the largest harem of anybody else in China, Chang Tso-lin, Chang Tso-shiang, Chang Hwang-hsiang and Chu Yu-pu included. In addition to 56 Chinese concubines, he supported quite a handful of Russian damsels but his choice of the latter belied the assertion that "gentlemen prefer blondes" or the assurance that "gentlemen marry brunettes." As a matter of fact, his conception of a western beauty is a red-haired woman of an aggressive type—and rumor had it that he left most of the management of the "white" Russian troops to his Muscovite viragoes.

The White Russian Troops

These troops were originally recruited for Chang Tso-lin after his debacle at the hands of Wu Pei-fu in the first war with the latter. We saw the recruiting at Harbin and must say that they were very careful in choosing the men in those days. The officers had all taken the field against the Bolsheviks and belonged originally to the Kolchak, Semenoff, Ungern and other armies. Much was expected of them and their men and I must say Chang Tso-lin got quite his money's worth. Eventually Chang Chung-chang, who always had a predilection for Russians, took them over bag and baggage. He set apart special quarters for them, drew up a special scale of wages and promised bonuses according to results and compensation for the survivors of those killed in his service and pensions to those incapacitated while fighting. It is characteristic of Chang Chung-chang that he promised much more than could be fulfilled in this instance as in many others. In due course, the Russians commenced to grumble about not having received their wages, those who were incapacitated through wounds or loss of limbs, etc., failed to receive any pension, whereas the survivors of those killed at the front failed to get any compensation whatsoever. This sort of thing naturally demoralized the mercenaries and they commenced to desert in large numbers. In their hurry to fill the gaps, the officers commenced to recruit all the riff-raffs available at Harbin. The efficiency of these mercenary forces decreased from day to day, insubordination growing rampant to the alarm of the Chinese who eventually caused [illegible] battalions to be disarmed and sent back to Mukden and Harbin, keeping only a small force and the personnel of the armored trains. These stood by the military-bandit *tupan* until the very end, in fact covering his retreat.

It was said in Harbin when these White Russians were first recruited that Chang Tso-lin had entered into a secret agreement with their leaders of prime importance so far as the White Russians in China were concerned. It was rumored that he had promised to equip and finance a White Russian Army composed of refugees at Harbin, Mukden, Peking, Tientsin and Shanghai, for warfare against the Soviet government, as soon as the Southerners had been put out of the running. The real truth never leaked out, but there are good reasons to believe that this rumor was not based upon sheer imagination. The White Russian refugees in the Far East are for ever on the look-out for a scrap with the Reds, and I expect that any American millionaire who feels inclined to

throw a couple of million dollars away just for the fun of the thing, could have a "war" started any time against the U.S.S.R, making Shanghai and Harbin his recruiting centers!

Tsingtao a Beautiful Spot

Of all the places we have been to in Shantung, we must say Tsingtao is the most beautiful. Indeed, in our estimation, there is no other city in China that is more beautiful and healthy than Tsingtao. Built originally by the Germans, it is laid out in the style of a German town, the roads being well surfaced and paved, and there is an abundance of parks. The Forestry Bureau, at the time of our stay in Tsingtao, was in charge of a Chinese graduate of the Massachusetts Institute of Technology. He certainly took good care of the parks whereas the hills, for miles around, were covered with trees, in contradistinction to the hills in other parts of the province, most of which are barren as the result of depredations.

Tsingtao has the distinction in the summer time of having more visitors than residents. In the hot months of July and August when those who can, escape from the heat of the treaty ports, one ship after another dump hundreds of visitors at Tsingtao, filling all the hotels and pensions and villas to capacity. Needless to say, the place is the scene of gaiety at this time from morning till night. What with bathing and dancing and motoring, everyone seems to be always on the move. And talking about motoring, the trip to Laoshan is a most pleasant one, your car passing through the most beautiful scenery imaginable. Whereas if you took a motor-ride through the great park at night, the light from your car would once in

(*Continued on page 332*)

The Credit of the Nationalist Loans

BY CHEN PING-TSANG (陳炳章)

When the Nationalist Government was established in Nanking in the Spring of 1927, the finances of the Government were in a bad shape. On the one hand, Hankow had split with Nanking; Canton was not giving any financial support; while the newly-conquered southeastern provinces, having just emerged out of the ruins and devastations of war, needed recuperation and could not be relied upon to contribute much to the Government treasury. On the other hand, the setting up of a new governmental machine as well as the carrying on of the Northern Expedition demanded enormous expenditures far exceeding the regular income of the government.

Koo Ying-fen initiates Nationalist Loan System

As a result, on May 1, 1927, the Nanking Government resorted to raising money by issuing the Shanghai Customs 2½% Surtax Treasury Bonds (First Issue). The issue, totalling $30,000,000 (Chinese currency) and secured on the revenue from the 2½% Import Surtax collected at Shanghai, was quickly subscribed, mainly in Kiangsu and Chekiang. But even then the two ends of the Government could not be made to meet; and when the monthly military expenditure was increased from about $6,800,000 in June to $11,600,000 in July, the Nanking Minister of Finance, then Mr. Koo Ying-fen, was forced to borrow frequently from various banks in Shanghai in order to meet the pressing demands.

Sun Fo Continues Policy

When Mr. Sun Fo succeeded Mr. Koo on October 1, 1927, Hankow had nominally come into line with the Nanking Government, but the finances of the latter were in no way improved. The advance of Sun Chuan-fang's forces toward Pukow in September had further disorganized the finances of the Nanking Government. Besides, though the Northern Expedition was virtually suspended from then till the Spring of this year, nevertheless the average military expenditure during the last three months of 1927, during which Mr. Sun was Finance Minister, amounted to approximately $8,000,000 a month. To meet this expenditure and other administrative expenses of the Government, the Nanking Ministry could rely on revenues from not more than three Provinces, Kiangsu, Chekiang, and Anhui, which was far from sufficient. In order to make up the deficit in estimates for military expenditure and to amortize the short term advances from banks, therefore, the Ministry issued the Second Issue of the Shanghai Customs 2½% Surtax Treasury Bonds, amounting to $24,000,000. Of this amount, over $10,000,000 went toward repaying the loans from banks while the balance was quickly absorbed in military channels.

T. V. Soong Finances Northern Expedition to Victory

On January 7, 1928, T. V. Soong, was called upon to resume his responsibility as Nationalist Finance Minister. His was the task of financing the Northern Expedition through its most trying stage to its final victory. Recalled to his office after military activities had been more or less suspended for almost half a year and at a time when the fast approaching Chinese New Year's Eve was embarrassing the Government with financial stringency greater than ever, Mr. Soong was immediately put to the task of raising more than $12,000,000 within ten days to meet the pressing demands. Consequently the Second Issue of the Shanghai Customs 2½% Surtax Treasury Bonds was increased from $24,000,000 to $40,000,000, the interest rate being raised and additional sinking fund provided.

This, however, was only the beginning of the heart-breaking extravagance in military expenditure during the final phase of the Northern Expedition. For no sooner had the New Year's Eve crisis been tided over than the military campaign in full swing was resumed. From approximately $8,200,000 in December, 1927, the monthly military expenditure steadily increased to about $11,600,000 in January, 1928, $14,700,000 in February, $10,800,000 in March, and $15,500,000 from April on. Notwithstanding the impoverished condition of the Government Treasury, the Ministry of Finance was called upon to provide over $1,600,000 every five days for military expenses. On the one hand, enormous remittances at such short intervals had to be made promptly and regularly, lay aside the meeting of other current expenses of the Government. On the other hand, of all the territories supposed to be under Nationalist control, the Ministry could depend on the financial contribution of only two and half provinces; namely, Kiangsu, Chekiang, and Southern Anhui, Northern Anhui being overrun by bandits. That the Finance Ministry should be compelled to issue more bonds and raise more loans by hypothecating more and more revenues, could thus be readily understood.

Consequently, two more loans for military expenses were issued between April and June this year. The Tobacco Tax Treasury Bonds, totalling $16,000,000, was issued on April 1, when the Northern Expedition was reaching its climax. The Military Treasury Bonds secured on the Stamp Revenue, was divided into two issues, totalling $10,000,000. The First Series, amounting to $6,000,000, was issued on May 1, and the proceeds were, by order of the Government Council, distributed as follows: $2,000,000 each for the Second and Third Group Armies and $2,000,000 for military expenses of Hunan and Hupeh. The Second Series of $4,000,000 was issued on June 1.

Rehabilitations Loans

Obviously enough, this method of borrowing to finance the Northern Expedition was economically disastrous. But the Government was hoping that the soldiers in the front would bring the miserable business to an end before the end of its tether. Fortunately that happened, though none too soon. Nevertheless, though peace and unification have been achieved, the establishment of sound Government finance is not a thing to be accomplished in a day. Besides, upon the conclusion of the Expedition, enormous funds are needed immediately to carry out various works of rehabilitation and reconstruction. Now, altho the total receipt of the two and half provinces mentioned above is nominally placed at $9,000,000 each month, yet, as a matter of fact, all the important revenues, such as the Salt Tax, 2½% Surtax, Tobacco Tax, Stamp Revenue, etc., have been earmarked either as sinking funds for Treasury Bonds or as securities for loans from banks, so that the actual funds at the disposal of the Government is only about half of the amount.

To meet the expenditure for rehabilitation, therefore, the Nationalist Government issued on July 1 the Rehabilitation Short Term Bonds, totalling $40,000,000 and secured on the revenue from the Special Tax on Petroleum. At the same time, following the conditions of issue of the Shanghai Customs 2½% Surtax Treasury Bonds, the Government issued the Tientsin Customs 2½% Surtax Treasury Bonds to the amount of $9,000,000. The proceeds of the last loan were used to make up the deficit of estimates for the present fiscal year.

Finally, on October 25, the Government issued a $30,000,000 for the purposes of currency reconstruction. The loan is called the 17th Year Currency Short Term Bonds and $20,000,000 of the total proceeds is to be used as the initial capital of the Central Bank of China which is re-opening at Shanghai on November 1 this year.

To summarize the conditions of issue of all the loans contracted by the Nationalist Government since its removal to Nanking, we present the following chart:

LIST OF LOANS ISSUED BY THE NATIONALIST GOVERNMENT AT NANKING

(Compiled Oct. 25, 1928 by Chen Ping-tsang, 陳炳章)

Name of Bonds	Date of Issue	Amount Issued	Uses	Denominations	Issue Price	Rate of Interest	Date of Repayment	Sinking Fund	Security
2½% Surtax Treasury Bonds (First Issue)	1/5/27	$30,000,000	For military expenses	$10,000 1,000 100 10	98 —	7 per mille per month or 8.4% per annum	Beginning July, 1927, 1/30 of the principal with interest thereon to be repaid every and each month. Total amount to be repaid in Dec. 1929	Shanghai Customs 2½% Surtax Treasury Bonds Sinking Fund Committee	Shanghai Customs 2½% Surtax
2½% Surtax Treasury Bonds (Second Issue)	1/10/27	$40,000,000	For making up the deficit of estimates for military & Governmental expenses of Nationalist Government for that fiscal year, and for repayment of miscellaneous short term loans	$10,000 1,000 100 10	98 —	8 per mille per month or 9.6% per annum	Beginning Jan., 1928 and until Dec., 1929 inclusive, only interest to be paid; commencing Jan. 1930, 1/40 of principal with interest thereon to be paid every and each month. Total amount to be repaid in 1933.	Ditto	From date of issue to Dec., 1929, inclusive, whole of Shanghai Customs 2½% Surtax on exports and surtax on luxuries and $320,000 to be appropriated each and every month from the tax on postal parcels of Kiangsu Province for the payment of interest only; beginning with 1930, after the full repayment of the First Issue on Dec. 31, 1929, the revenue securing the First Issue being released will be placed as security for principal & interest on the Second Issue.
Treasury Bonds Secured on Rolled Tobacco Tax	1/4/28	$16,000,000	For military purposes of the Nationalist Government.	$10,000 1,000 100 10	98 —	8 per mille per month or 9.6% per annum	Beginning April, 1928, 1/32 part of the principal together with interest thereon, to be repaid each and every month. Total amount to be repaid in November, 1930	Ditto	Total revenue of the Rolled Tobacco Tax
Military Treasury Bonds	1/5/28 (First Issue) 1/6/28 (Second Issue)	$10,000,000 (First Issue $6,000,000) (Second Issue $4,000,000)	For Military expenses	$10,000 1,000 100 10	98 —	8% per annum	Beginning 1929, 1/20 of the principal to be repaid semi-annually. Total amount to be repaid in 1938.	Bank of China, Bank of Communications and Kiangsu Bank	Total revenue of the Stamp Tax
Rehabilitation Short Term Bonds	1/6/28 (First Issue)	$40,000,000 ($20,000,000 First Issue, purposes being issued) (Second Issue to be issued later)	For rehabilitation purposes	$10,000 1,000 100 10	see note	8% per annum	1/10 of the principal to be repaid semi-annually, beginning Dec. 31, 1928. Total amount to be repaid in June, 1933	Shanghai Customs 2½% Surtax Treasury Bonds Sinking Fund Committee	Total revenue of the Special Tax on Kerosene and Gasoline
	Note: July 92 less first half year's interest, net 88 Aug. 93 " " " " " " 89 Sept. 94 " " " " " " 90 Oct. 95 " " " " " " 91 Nov. 96 " " " " " " 92								
Tientsin Customs 2½% surtax Treasury Bonds	1/7/28	$9,000,000	For making up the deficit of estimates of the Nationalist Government for the present fiscal year and for urgent current expenses	$10,000 1,000 100 10	98 —	8 per mille per month or 9.6% per annum	Beginning October, 1928, 1/30 of the principal together with interest thereon to be repaid each and every month. Total amount to be repaid in March, 1931.	Tientsin Customs 2½% Surtax Treasury Bonds Sinking Fund Committee	Tientsin Customs 2½% Surtax
17 year Currency Short Term Bonds	25/10/28	$30,000,000	Reconstruction of Currency System	$10,000 1,000 100	92 —	8% per annum	Beginning 1929, 3.5% of the total issue to be repaid semi-annually during the first three years; 10% of the total issue semi-annually from the 4th to the 6th year inclusive; 10% of the total issue on March 2 and 9% of the total issue on September of the 7th year. Total amount to be repaid in September, 1935.	Shanghai Customs 2½% Surtax Treasury Bonds Sinking Fund Committee	Surplus funds of the returned German Indemnity derived from the Customs revenue

The above chart thus shows that from May, 1927, to the present, during a period of one and half years, the Nationalist Government has issued Treasury Bonds amounting to approximately $175,000,000. That such a huge sum of loans has been raised must have been a drain on the people. It has worked hardships particularly on the people of Kiangsu, Chekiang and Anhui, who bore the blunt of the burden. Besides, the Treasury Bonds being all internal loans, a considerable part of native capital has been necessarily taken away from constructive enterprises and wasted in nonproductive measures.

Tribute to Finance Ministry

On the other hand, it must be said to the credit of those in charge of the Nationalist finance that they have been able to raise such enormous funds for the front without straining the rear to the breaking point. It is indeed gratifying that no less a financier than Mr. Chang Chia-ao, Vice-Governor of the Bank of China, should be able to state, on behalf of the delegates to the recent National Economic Conference, that the entire community and especially the banking and business circles of Shanghai were grateful to the Nationalist Finance Minister for having succeeded in avoiding any disturbance in the money market while raising such huge sums of money for the Northern Expedition.

Moreover, what is of particular interest to the observers of Nationalist finance is not so much the size of the loans contracted as the way in which the securities of these loans are protected and their repayment served. This is of special significance because the establishment of sound credit by the Nationalist Government in its own loan service will help to make easier both the readjustment of loan obligations contracted by the defunct Peking Government and the floating of future loans for reconstruction purposes. Viewing from this respect, we are happy to note two salient facts about the Nationalist loan service: adequate provision of sinking funds and efficient administration of loan service.

Adequate Provision of Sinking Funds

The First Issue of the Shanghai Customs 2½% Surtax Treasury Bonds are secured on the total revenue from the 2½% Import Surtax collected at Shanghai. According to the report of the Shanghai Surtax Bureau, the income from the Import Surtax amounts to more than $1,000,000, a month, which is more than sufficient to meet the monthly principal and interest payments on the Surtax Bonds. So far, 15 payments of principal and interest have been made always promptly.

In the case of the Second Issue of 2½% Surtax Treasury Bonds, the monthly payment of interest within the twenty-four months since its issuance is secured on the revenues from the Luxury Surtax and the Export Surtax collected at Shanghai and the Parcel Post Duty of Kiangsu Province which must reach $320,000 every month as the Sinking Fund for interest payment. After January, 1930, when the principal of and the interest on the First Issue of 2½% Surtax Treasury Bonds will have been paid off, the entire revenue from the Shanghai Customs 2½% Import Surtax, with an additional monthly appropriation of $110,000 from the Shanghai Customs 2½% Export Surtax will be set aside as the Sinking Fund for the redemption of principal and the payment of interest on the Second Issue. Ever since the issuance of this Second Issue, an appropriation of $320,000 has been made every month from the aforesaid taxes to meet the monthly payment of interest. So far, 9 monthly interest payments have been made punctually when due. The Sinking Fund Committee, besides, has arranged with the consent of the Shanghai Surtax Bureau to take over all the daily receipts of the Luxury Surtax and Export Surtax, and, at the end of every month keep the amount required for the interest payment of the Second Issue, returning to the Shanghai Surtax Bureau the balance. The revenue from the aforesaid surtaxes totals $500,000 to $600,000 a month and, therefore, always leaves a surplus. Thus the payment of interest on the Treasury Bonds is well secured.

The Tobacco Tax Treasury Bonds are secured on the total revenue from the Tobacco Tax. The British-American Tobacco Company has been directed to pay the tax directly to the Sinking Fund Committee in exchange for Chinese Government revenue stamps, while the tax collected from other tabacco companies by the Tobacco Tax Bureau is also to be deposited with the Committee. Besides, the Committee has secured the permission of the Government to earmark the surplus from the Sinking Fund for the Second Issue of the Shanghai Customs 2½% Surtax Treasury Bonds as a secondary security for this issue. As a matter of fact, the revenue from the tobacco tax alone approximates $1,000,000 per month, whereas the required amount for monthly principal and interest payments is only about $600,000. There should be therefore no anxiety whatsoever as to the adequacy of the Sinking Fund. So far, 6 payments of principal and interest charges have been made monthly.

The Military Treasury Bonds are secured on the revenue from the Stamp Duty of the whole country. Beginning from 1929, one-twentieth of the total issue, or $500,000, is to be retired semi-annually. That the earmarked revenue will be sufficient to meet the principal and interest payments on this issue is hardly open to question.

The Rehabilitation Short Term Bonds, of which $20,000,000 has been issued, are secured on the total revenue from the Kerosene and Gasoline Special Tax of the country. According to the regulations governing this issue, one-tenth of the total amount of issue, or $2,000,000, shall be redeemed on December 1, 1928, and thereafter an equal amount with interest accruing on the outstanding principal shall be repaid semi-annually. The interest of the first period, which covers July to December 1928, is prepaid at the time of subscription. The Kerosene and Gasoline Special Tax Bureau in the various provinces have been ordered by the Ministry of Finance to remit all their receipts to the Sinking Fund Committee for custody and payment of principal and interest. According to the agreement between the Kerosene and Gasoline Special Tax Department of the Ministry of Finance and the Standard Oil, Asiatic Petroleum, and Texas Oil Companies, the revenue to be collected from the Tax is more than $500,000 every month Thus it is clear that the Sinking Fund has more than sufficient to meet its purpose. Furthermore, it is provided that in case the Kerosene and Gasoline Special Tax should be reduced or abolished before the entire issue of the Rehabilitation Bonds is redeemed, an appropriation shall be made from the Customs increase to make up the required amount of Sinking Fund.

Lastly, the Sinking Fund for the Tientsin Customs 2½% Surtax Treasury Bonds is equally secure. Beginning from October, 1928, a sum of $300,000 with interest accruing on the outstanding principal shall be repaid every month. The monthly receipt from the above Surtax being more than $300,000, the adequacy of the Sinking Fund leaves no ground for worry. Likewise, the 17th Year Currency Short Term Bonds, will be well secured on the surplus funds of the returned German Indemnity derived from the Customs revenue, an offical statement to this effect having been made by Mr. A. H. F. Edwardes. The officiating Inspector General of Maritime Customs.

Efficient Administration of Loan Service

To the adequacy of Sinking Funds is added the efficiency of the loan service system. With the exception of the Military Treasury Bonds, the service of which is entrusted to three designated banks, both the custody of Sinking Fund and the repayment of principal and interest of all the other loans are left in the hands of Sinking Fund Committees, created by but independent of the Government. Thus, the Sinking Funds and the repayment of the First and Second Issues of the Shanghai Customs 2½% Surtax Treasury Bonds, the Tobacco Tax Treasury Bonds, the Rehabilitation Short Term Bonds, and the 17th Year Currency Short Term Bonds are in the charge of the Shanghai Customs 2½% Surtax Treasury Bonds Sinking Fund Committee while those of the Tientsin Customs 2½% Surtax Treasury Bonds are in the charge of a similar Committee in Tientsin. Both of these Committees consist largely of civilians, representatives of banking and business interests. The Shanghai Committee, for instance, is made up of 14 members, nine of whom are elected by the local Bankers' Association and Chambers of Commerce, the remaining five being appointed by the Government. The Committee has a Chairman and five executive members, all of whom enjoy an excellent reputation and command public confidence.

At the time of its inauguration, its Chairman, Mr. Li Ming, made a public statement to the effect that all the actions of the Committee would be made known to the public; that thenceforth the daily cash receipts of the revenues pledged would be deposited in the independent vault of the Shanghai Bankers' Association; and that at the end of every month the amount of the receipts and disbursements of the Sinking Fund Committee would be published in the leading Chinese newspapers. This has been carried out faithfully. The Committee has always been a perfectly independent organization, and its members have been very earnest and untiring in safeguarding the interests of the bondholders. As a result of its work, the Committee has more than justified the implicit confidence placed in it both by the Nationalist Government and by the public.

But if the Sinking Fund Committees are thoughtful of the interests of the bondholders, the Nationalist Government is no less vigilant over its credit. We have it on the authority of the Shanghai Sinking Fund Committee that, besides paying the Committee's operating expenses, the Government has not interfered the least with its affairs. Moreover, whenever the Committee has recommended a measure to make the Sinking Funds more secure, it has been adopted by the Government.

New Chapter in Chinese Public Finance

To sum up, we can do no better than to quote from the report of the above-mentioned Committee which concludes thus: "In short, the Nationalist Government has given publicity to the Sinking Fund provisions. It has permitted the representatives of financial and commercial organizations to have

charge of the fund. It has abided by the conditions of issue which it originally published Whenever the Sinking Fund Committee has made a salutary recommendation beyond the conditions originally stipulated, the Government has conceded it without hesitation. It is an important reform in Chinese public finance. And the members of the Sinking Fund Committee, being zealous at heart and untiring in their efforts, have discharged their duties very faithfully. It is only a natural consequence that the public should have full confidence in the Treasury Bonds, and that the Bonds should appreciate in market value." No wonder even such foreign newspapers as the *North-China Daily News* and the *China Press*, which are never too vigilant or critical over Chinese Government credit, have heralded the Nationalist loan service as "A Concrete Step toward Constitutionalism" and "A New Chapter in Chinese Public Finance."

Shanghai, Oct. 25, 1928.

The Northern Punitive Expedition

BY SAMUEL H. CHANG

AT the beginning of the campaign the Nationalist Forces in Kwangtung and Kwangsi consisted of seven Army Corps, amounting approximately to one hundred thousand men For maintenance of peace and order in the two provinces, such a big Army was too great a burden to the people but for fighting the battles of unification, it was small and inadequate. The men, however, were in a fighting spirit, being converts to the cause of their Party. The crack division of the entire force was the Whampoa Military Cadets, numbering about five thousand.

On June 6, General Chiang Kai-shek was appointed Commander-in-Chief of the Nationalist Forces and was vested with supreme authority over all military and civil affairs during the period of war, responsible, however, to the Central Executive Committee of the Party. Before his departure for the front on June 23, an important manifesto was issued, calling upon the people to rally under the Kuomintang banner and to assist in the task of exterminating the Militarists. It condemned on general principles the conspiracy of Imperialism and appealed to the people to support the noble cause of Independence and Equality.

In May the situation in Hunan was decidedly favorable to the North. But beginning from June 1, the day on which Hengchow fell to the advancing Nationalist Force, the fortune of war swung the other way and the Expedition advanced unchecked. Following up its initial victory at Hengchow, the Nationalists proceeded westwards and occupied the centrally located city of Paoking without meeting with any resistance from the retreating Northerners. In the meantime another force was heading towards Changsha which likewise fell to the Southerners after a sharp but brief engagement on July 14 The Northerners then withdrew to Yochow establishing their line of defence about fifty miles south of the city stretching from Pinghsiang to Lake Tungting.

On August 12, Commander-in-Chief Chiang Kai-shek arrived at Changsha where a military Conference was held and the decision was reached to conquer the Province of Hupeh within the short space of two weeks.

The Conquest of Hupeh

On August 19 the general offensive was launched. The first attempt at Yochow failed owing to an unfavorable turn of the wind which swept the rafts, conveying the soldiers across the Siang River, downstream and caused the drowning of a number of them. On the following day, however, the Pinghsiang front was broken, exposing Yochow to an envelopment from the west. The Northerners immediately withdrew to Puchi and Yochow was peacefully entered by the victorious Kuomintang forces on August 22. The irresistible advance of the Southern forces alarmed the Northern warlords, for with Yochow lost, the way to Hupeh was opened. On August 21 the veteran Chihli general, Wu Pei-fu, hurriedly left Paotingfu for Hankow to assume personal command in an attempt to check the Nationalist Forces. Before his arrival, however, the Revolutionary Army was pressing on against the Wu Han Cities.

The Northerners were making their stand from Puchi to Wuchang with a force of about one hundred thousand men, fairly well equipped but very much disorganized and taking no interest in the result of the battle. The generals who commanded this force acted independently of one another, and when the position of one of them was seriously threatened, the rest turned about-face and marched double-quick to places of safety. The Nationalist Commanders avoided a frontal attack and adopted a flanking movement by marching overland westwards and concentrated their bombardment on the right wing of Wu Pei-fu. This clever strategy forced the Northerners to fall back on Wuchang and to withdraw to their second line of defense at Hosengchiao, a few miles south of Wuchang. In the evening, under cover of darkness, the Nationalists directed a furious attack at Hosengchiao and captured it at a great sacrifice of lives. A general retreat was ordered by Wu whose plan was to stone-wall the advancing forces by entrenching himself at Hungshan outside of Wuchang. But the Nationalists followed close behind the heels of the retreating Northerners and Wuchang had to be abandoned in order to prevent a general debacle. Wu, therefore, crossed the River leaving the city of Wuchang to its own fate.

Wuchang Offers Strong Resistance

The Defence Commissioner at Wuchang offered stubborn resistance against the besieging forces. For a time his position seemed impregnable and the heavy artilleries mounted on Tortoise Hill at Hanyang across the River protected the city from an organized assault. The Nationalist Commanders then turned their attention to Hanyang and attacked the Arsenal On the night of September 4, the Northern general in command at Hanyang suddenly shifted his allegiance and surrendered the strategic city to the attackers Wu Pei-fu was still maintaining his position at Chiakow, west of Hankow, on the Han River. Following the occupation of Hanyang the Nationalists headed straight for Hankow and, in the night of September 5, under cover of a barrage, crossed the Han River to Chiakow. Wu beat a hasty retreat Northwards along the railway. His position was lost.

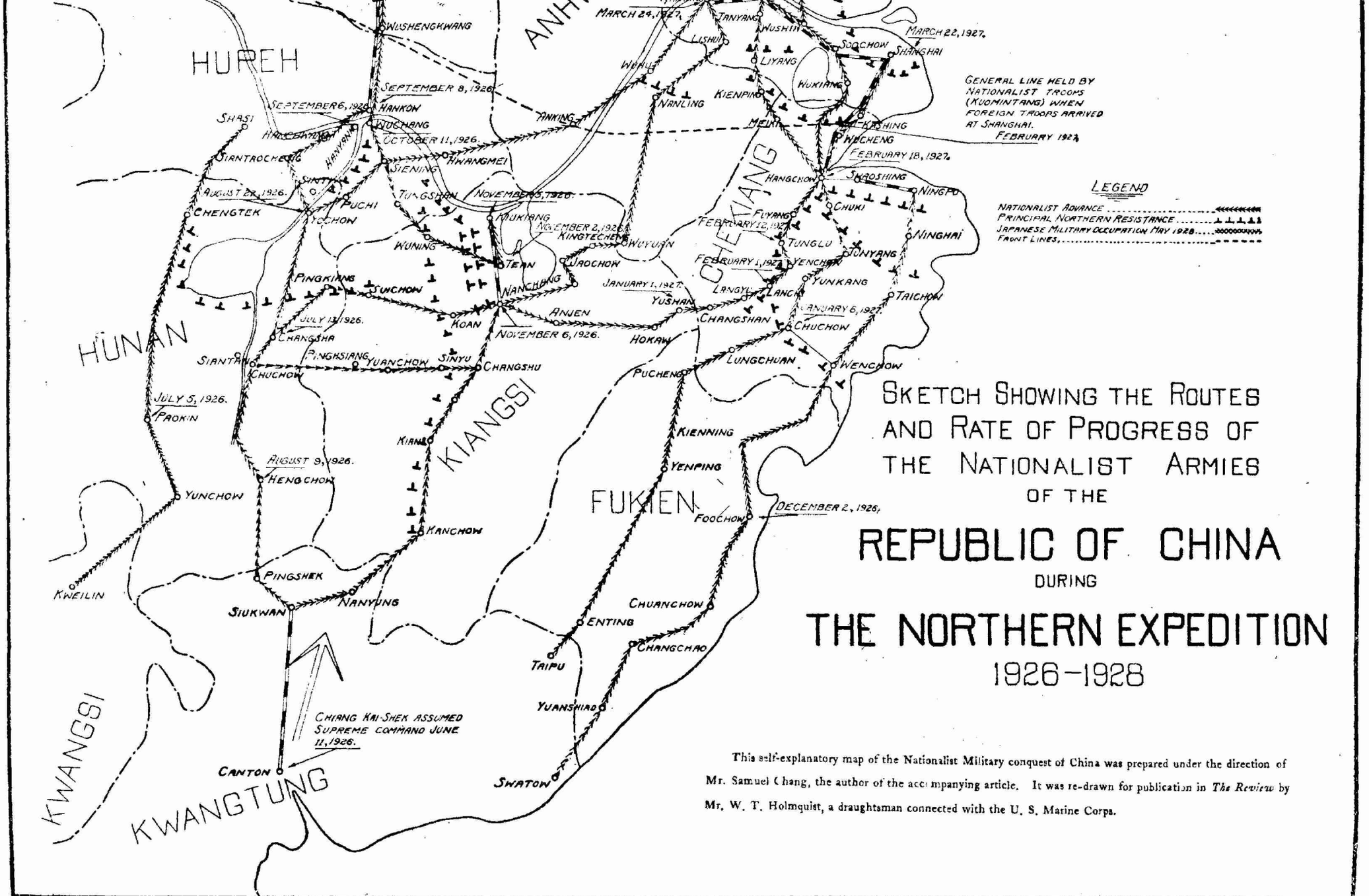
To insure their position at Hankow and to guard against any counter-attack, the Nationalists kept up the pursuit and advanced to Wushengkwan, thus clearing Hupeh province of all Northern troops except the city of Wuchang which was still under siege, the Defence Commissioner hoping against hope that Wu Pei-fu would return with reinforcements.

By the middle of September all communications with the city were severed, though, by mutual agreement, steam launches were allowed to take refugees out of the city. To avoid unnecessary destruction and the terror of an indiscriminate bombardment, the merchants in the city attempted to mediate between the besieger and the besieged but without result, and the siege continued under constant attack of machine-gun fire and bombs dropped from Nationalist aeroplanes At night of September 9, Nationalist soldiers simultaneously assaulted three gates of the city which were immediately thrown open. Street fighting and desultory firing took place here and there in the suppression of remnant Northern troops. October Tenth, China's Independence Day, was celebrated with double rejoicing at the city of Wuchang.

The conquest of Hupeh completed the line of communications from Canton to Hankow. For further advance two lines were open to the Nationalists: one was to continue their march Northwards into Honan to effect a junction with the Kuominchun under Feng Yu-hsiang in the Northwest, thence turning eastwards to drive Chang Tso-lin out of the Great Wall, then sweeping down to the Southeast to demand the submission of Sun Chuan-fang; and the other was to drive northeastwards for the conquest of Chekiang and Kiangsu first and to consolidate the Nationalist Government's position south of the Yangtsze. This latter alternative was taken by Commander-in-Chief Chiang Kai-shek against the advice of Borodin and under the protest of the Political Department.

The Campaign against Sun Chuan-fang

Sun Chuan-fang, overlord of the Southeastern Provinces (Kiangsu, Chekiang, Anhwei, Kiangsi, and Fukien) and Commander-in-Chief of the Allied Forces was a former subordinate of Wu Pei-fu, and might have easily saved the latter by advancing westwards from Kiangsi and cutting the Expeditionary Forces from their base when Wu was hard pressed in Hupeh. But he had adopted a policy of non-entanglement, and so long as his position was not threatened, he remained neutral. Early in August he sent a communication to Commander-in-Chief Chiang Kai-shek to the effect that he would not obstruct the advance of the Expeditionary Forces if his territorial integrity was respected He was willing to cooperate with the Kuomintang in its political program for the welfare of the people on the condition that the Kuomintang expelled the Communists from its midst. It was claimed that he had an army of three hundred thousand men though it was also a matter of common knowledge that many of his subordinate generals could not be depended upon. However, a part of his forces was well-equipped, loyal, and well-disciplined, and represented the best of Chinese soldiery. It was against Sun



SKETCH SHOWING THE ROUTES AND RATE OF PROGRESS OF THE NATIONALIST ARMIES OF THE REPUBLIC OF CHINA DURING THE NORTHERN EXPEDITION 1926–1928

This self-explanatory map of the Nationalist Military conquest of China was prepared under the direction of Mr. Samuel Chang, the author of the accompanying article. It was re-drawn for publication in *The Review* by Mr. W. T. Holmquist, a draughtsman connected with the U. S. Marine Corps.

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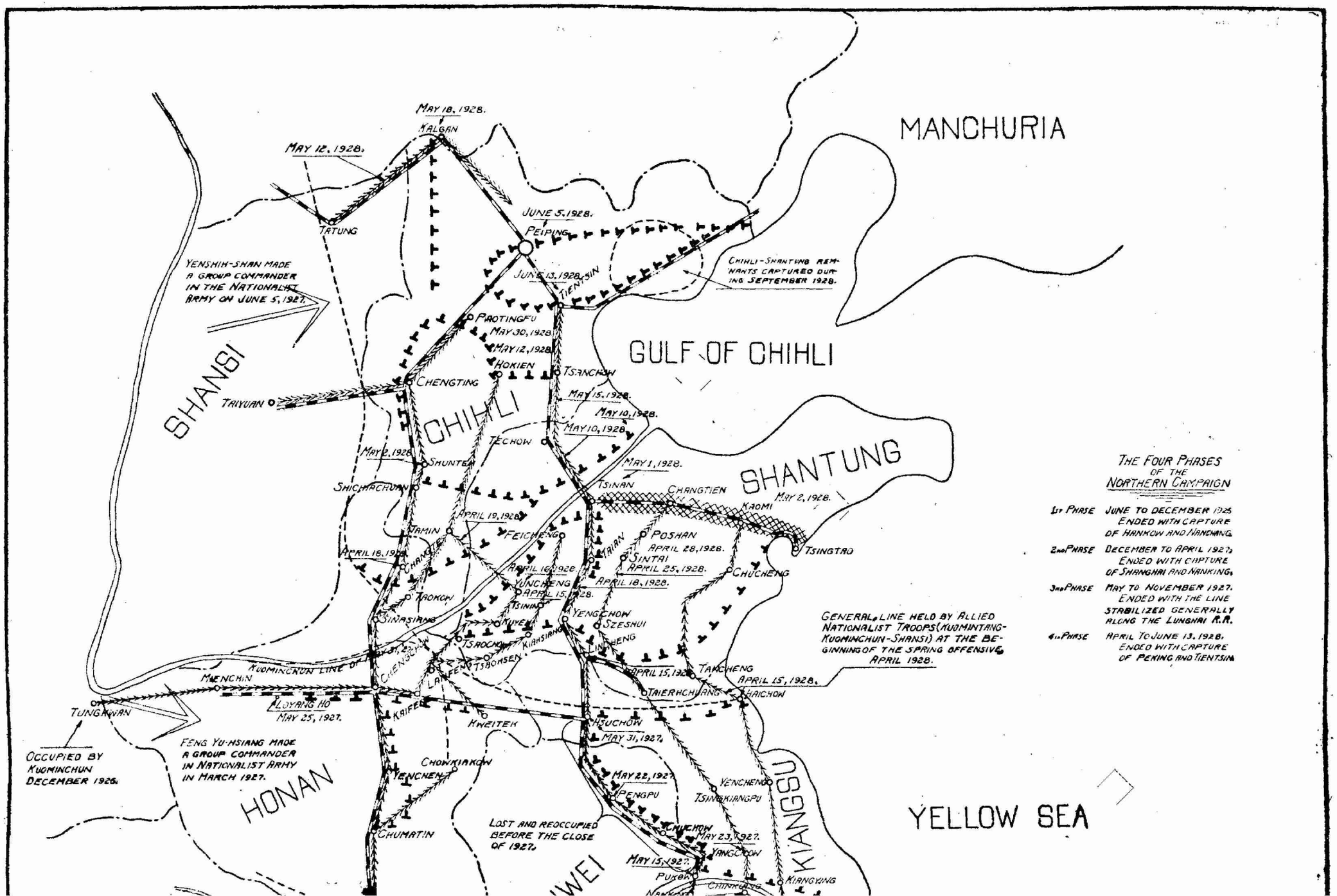
MANCHURIA
GULF OF CHIHLI
SHANTUNG
CHIHLI
SHANSI
HONAN
KIANGSU
YELLOW SEA
MAY 18, 1928.
KALGAN
MAY 12, 1928.
TATUNG
JUNE 5, 1928.
PEIPING
JUNE 13, 1928.
TIENTSIN
CHIHLI-SHANTUNG REMNANTS CAPTURED DURING SEPTEMBER 1928.
YENSHIH-SHAN MADE A GROUP COMMANDER IN THE NATIONALIST ARMY ON JUNE 5, 1927.
PAOTINGFU
MAY 30, 1928.
MAY 12, 1928.
HOKIEN
TSANCHOW
CHENGTING
TAIYUAN
MAY 15, 1928.
MAY 10, 1928.
MAY 10, 1928.
TECHOW
MAY 2, 1928.
SHUNTEH
MAY 1, 1928.
SHICHIACHUAN
TSINAN
CHANGTIEN
KAOMI
MAY 2, 1928.
APRIL 19, 1928.
TAMIN
FEICHENG
POSHAN
APRIL 28, 1928.
TAIAN
SINTAI
APRIL 25, 1928.
TSINGTAO
APRIL 18, 1928.
CHANGTE
APRIL 16, 1928.
YUNCHENG
APRIL 18, 1928.
CHUCHENG
APRIL 15, 1928.
TAOKOW
TSININ
SINASIANG
KUYEN
YENGCHOW
SZESHUI
TSAOCHOW
KIAHSIANG
LINCHENG
GENERAL LINE HELD BY ALLIED NATIONALIST TROOPS (KUOMINTANG-KUOMINCHUN-SHANSI) AT THE BEGINNING OF THE SPRING OFFENSIVE, APRIL 1928.
KUOMINCHUN LINE OF MAY 31, 1927.
CHENGCHOW
LANFENG
TSAOHSEN
APRIL 15, 1928.
TANCHENG
APRIL 15, 1928.
MIENCHIN
TAIERHCHUANG
HAICHOW
TUNGKWAN
LOYANG HO
MAY 25, 1927.
KAIFEN
KWEITEK
HSUCHOW
MAY 31, 1927.
OCCUPIED BY KUOMINCHUN DECEMBER 1926.
FENG YU-HSIANG MADE A GROUP COMMANDER IN NATIONALIST ARMY IN MARCH 1927.
CHOWKIAKOW
YENCHEN
MAY 22, 1927.
PENGPU
YENCHENG
TSINGKIANGPU
CHUMATIN
LOST AND REOCCUPIED BEFORE THE CLOSE OF 1927.
CHUCHOW
MAY 23, 1927.
YANGCHOW
MAY 15, 1927.
PUKOW
CHINKIANG
KIANGYING
THE FOUR PHASES OF THE NORTHERN CAMPAIGN
1st PHASE JUNE TO DECEMBER 1926 ENDED WITH CAPTURE OF HANKOW AND NANCHANG.
2nd PHASE DECEMBER TO APRIL 1927. ENDED WITH CAPTURE OF SHANGHAI AND NANKING.
3rd PHASE MAY TO NOVEMBER 1927. ENDED WITH THE LINE STABILIZED GENERALLY ALONG THE LUNGHAI R.R.
4th PHASE APRIL TO JUNE 13, 1928. ENDED WITH CAPTURE OF PEKING AND TIENTSIN.

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Chuan-fang alone that the Nationalists encountered stubborn resistance and went through a real test of strength.

After the fall of Hankow, Sun Chuan-fang despatched a detachment to Wuhsueh, above Kiukiang, on the border of Kiangsi and Hupeh, for fear that the Nationalists might attack him along the Yangtsze River. On September 9, he demanded of the Nationalist Commander-in-Chief the cessation of military manoeuvers and other warlike preparations along the border of Kiangsi province, but was told that his evacuation of that province was a necessary preliminary to peace negotiations. This exchange of telegrams was tantamount to a declaration of war.

From the beginning Sun showed a desire to wait for the Nationalists rather than advancing to meet them. Such a policy necessarily demanded a shortening of his defence line which he finally established along the Nanziang Railway, connecting Nanchang, Provincial Capital of Kiangsi, and Kiukiang. This position gave him great mobility and, in the event of an offensive, would enable him to drive westwards to the projected Canton-Hankow Railway and the Siang River to threaten the communication between Canton, the Nationalists home base, and Hankow, where the Nationalists Headquarters was established.

To the Expeditionary Forces, Nanchang was the logical objective. It commands the entrances to Chekiang, Kiangsu, and Anhwei, and its connection with Kiukiang by rail makes it a strategic position of vital importance in point of communications.

The Siege of Nanchang

The battle for Nanchang, however, proved to be a prolonged and costly engagement to both sides. For two months, the Nationalists attempted to the utmost of their ability, twice even succeeding in gaining possession of the city, but were frustrated in each attempt and beaten back. Four separate routes of approach were adopted, one from the south at Kian along the Kan River, one to the southwest from Lienhwa and Anfu, the main route from Pinghsiang towards Yuanchow, and the northern route from Pingkiang towards Juichow. Three attempts were made to capture the city and each one was repulsed with terrific loss of lives. Strategically situated and protected from every approach by surrounding hilly regions, coupled with the clever generalship of its defender, the city stood impregnable till the day of its capitulation brought about by unexpected changes from other quarters.

Following the capture of Hankow, the Nationalist troops threatened Kiangsi along the River by way of Tayeh and Wuhsueh. Sun Chuan-fang was thus forced to divide himself between guarding the defence of the River approaches and stamping the advances of enemy troops towards the Nanziang Railway. For this purpose, he kept his Headquarters aboard a gunboat. On September 19, following one of the sensational assaults, Nanchang fell to a small Nationalist force of 1500 men who were subsequently driven out on September 21. Upon re-entering the city, Sun's forces executed a number of the police and students who were alleged to have treacherously opened the city gates to the Nationalists. On September 24, with the arrival of reinforcements, renewed attacks were made on Nanchang. Seven times the Nationalists charged the city's defenders but were beaten back each time with terrific sacrifices. After three days of continuous fighting, the Nationalists failed to make any headway. The city of Nanchang stood defiant against its attackers.

The southern route having failed, Commander-in-Chief Chiang concentrated his efforts on the central route. But by this time Sun Chuan-fang, feeling somewhat encouraged by his successful stand, changed his tactics and launched an offensive drive against Juichow in the hope of pushing back the Nationalists to strengthen his position. A flanking movement was also simultaneously started with Wuning as the objective. In the latter move, however, Sun was anticipated by the Nationalists who had quietly crossed the mountainous region north-west of Tehan and swept down on the small Northern Force between Wuning and Tehan just as Sun was pushing westwards against Juichow. This unexpected appearance of a Nationalist army of unknown strength forced Sun to withdraw. The Nationalist Commanders, taking advantage of the sudden change of battle-front, swung the main force of the central route northwards with the result that the strong defense along Nanziang Railway was broken for the first time on October 3 at Tehan. The Northerners, however, lost no time in launching a counter-attack. One force was despatched up the Railway line to recapture Tehan while another one started a drive southwards to prevent reinforcements from being sent to relieve the Nationalists at Tehan which was evacuated on October 5. Sun's defence along the Nanziang Railway was saved and normal communication between Nanchang and Kiukiang was resumed. One month had elapsed since commencement of hostilities around Nanchang, and yet despite the terrific sacrifice of man and ammunition, the positions of both sides remained practically the same.

On October 12 another serious attempt was made by the Nationalists to capture Nanchang from the southwest. They reached the foot of the city and tried to scale the wall. Sun's forces occupied a strategic position north of the Kan River, and, after a four day battle, forced the Nationalists to retreat. It was during this battle that General Chiang personally appeared at the front and was reported killed.

Civil Governor Declares Independence

Then followed a lull. On October 17, Sun was suddenly faced with a fresh danger from within which for a time threatened his own camp with dissolution. The civil Governor of Chekiang, Hsia Chao, whose sympathy had been with the Nationalists, suddenly declared independence and threatened Nanking by advancing against Shanghai along the Shanghai-Hangchow Railway. Unfortunately, his sole army consisted of a Provincial Militia of about 6000 men who had never fought a battle. When Sun's forces from Shanghai met the insurgents at Kashing, midway between Shanghai and Hangchow, Hsia's men were immediately routed, and Hsia himself was killed among his fleeing Militia.

The surrender of Wuchang on October 10 opened a new way to the Nationalists to attack Sun from the north with Kiukiang as their objective. Accordingly, an ambush was laid in the environ of Kiukiang in the hilly region to wait for the signal to stage a surprise attack on the city. Then order was given to launch a new attack from Wuhsueh. With his usual mobility Sun took to his floating Headquarters and sailed upriver to stamp the advance from Wuhsueh without knowing that a Nationalist force was almost at the gates of Kiukiang. On November 1, order for a general offensive against the Nanziang Railway Line was given and Tehan fell on the next day. Simultaneously the ambushed Nationalist force assaulted the gates of Kiukiang and took the city by surprise. Upon learning of the fall of Kiukiang Sun hurried back to Nanking, knowing well that Kiangsi had been lost. A few days later Nanchang capitulated With the collapse of the defense in Kiangsi, Sun was opened to attacks from all sides. On November 18, he secretly left by train to Tientsin and solicited the assistance of the Fengtien Authorities. As a result of his interviews it was decided the Shantung troops belonging to Chang Tsung-chang should be sent to Anhwei and Kiangsu to stop further advance of the Nationalists. The very name of the notorious Shantung tupan meant defeat for the Northern forces.

In the meantime, General Ho Ying-ching was rapidly advancing into Chekiang by the seaboard. From the time of his appointment as Field-Commander of the East Route Army in October to the end of November, he directed a victorious advance from the eastern part of Kwangtung along two separate routes into Fukien without having a serious engagement. The outer route started from Swatow along the coast line to Foochow, Provincial Capital of Fukien, which fell on December 2, and the inner route from Taipu, the extreme northeastern corner of Kwangtung, winding its way through the western part of the province till it reached Chuchow, in southern Chekiang, on January, 6, 1927.

Shantung Troops Defend Chekiang

After the loss of Kiangsi the defence of Chekiang was taken up by Sun Chuan-fang and that of Kiangsu along the Shanghai-Nanking Railway by the Shantung troops. The Chekiang Civil Governor's insurrection in October, 1926, led to the revolt on December 16 of another of Sun's subordinate commanders. The second uprising was soon quelled but the discontented troops retreated southwards to Shaoshing and Ningpo where they waited for the arrival of the Nationalists who were not very far off. By the beginning of January, 1927, the Central Route Army of the Nationalist Forces was entering Chekiang from Kiangsi in coordination with the Eastern Route Army under General Ho Ying-ching. On January 26, an order for a general attack on Chekiang was given and the Nationalist troops advanced at all fronts with Hangchow as their objective. Sun Chuan-fang's first line of defence, was, accordingly, laid at Hangchow, with the second line at Kashing and the last line at Sungkiang.

The first serious encounter between the opposing forces took place at Lanchi in the beginning of February. Sun's forces were beaten and retreated to Tunglu where a decisive battle was fought on February 12 which lasted three days with the outcome remaining uncertain until finally the Allied Forces were forced to withdraw. Everything was going against Sun, and another of his subordinates went over to the Nationalists at Fuyang, about midway between Hangchow and Tunglu. The Defense Commander, realizing the futility of holding the city in face of an encircling attack from the west, south, and east ordered a complete withdrawal northwards to Kashing by the Railway, taking with him all the rolling stock.

Kiangsu Is Doomed

The fall of Hangchow sealed the doom of Kiangsu the defence of which had been turned over to the Shantung troops. On February 19, the Shanghai General Labor Union called a

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general strike which was publicly announced to be anti-Sun Chuan-fang and Chang Tsung-chang. Within a few days the number of strikers swelled to 108,000 men including the Government employees in the Post Office. The strike was peacefully carried out and caused little disturbance. All strikers were instructed to show no antagonism to the Settlement Authorities, and there was to be no sabotage, no extortion of funds or manifestation of force whatsoever. It was a strike with a political purpose, an echo to the call of the Revolution. But it petered out after the duration of one week. In an attempt to suppress popular enthusiasm for the advancing Nationalists the Defence Commander at Shanghai instituted a reign of terror.

On February 22 the gunboats lying off the Whangpoo River fired a few shots into the Chinese City to announce the shift of their allegiance and on March 12 Admiral Yang Shu-chwang added the word "Nationalist" to his original title of Commander-in-Chief of the Navy. On February 27 the notorious Shantung Warlord Chang Tsung-chang arrived at Shanghai and proceeded to Sunkiang to inspect the defence which was taken up by his troops. On March 6, the Province of Anhwei declared independence, the Military Governor having accepted an appointment as Commander of the Expedition.

The rapid change in the general situation coupled with the presence in the International Settlement of a hostile foreign Army of British, Japanese, American, Italian, Spanish, and Portuguese detachments under the united command of the saber-rattling Major-General Duncan (British) convinced the Nationalist Commanders of the advisability of a change of tactics in capturing Shanghai without running the risk of giving rise to international complications. The modified plan was to sweep down upon Nanking from Anhwei, thus automatically effecting the fall of Shanghai.

Accordingly, on March 14 an order for a general attack along the Shanghai-Nanking Railway was issued. On March 18 Sun Chuang-fang retired across the Yangtsze to Pukow, and a few days later, Soochow and Changchow were evacuated by the Northern troops. The fall of Nanking was imminent.

When Sun Chuang-fang withdrew across the River from Nanking his loyal subordinates were likewise evacuating their posts near Shanghai, thereby leaving the gate to Shanghai open to the advancing Nationalists. During the interval between the withdrawal of Sun's men and the arrival of the Nationalists, armed civilians, gangs of local riffraffs, the Communists and the plain-clothes corps seized the control of various public organs and attacked the "white" Russian Corps and the Shantung detachment guarding the North Railway Station in Chapei (Chinese city). For forty-eight hours there was much lawlessness, looting, and general disorder, as might be expected under the circumstances. On March 22 General Pai Tsung-hsi, Commander of the Advance Forces of the East Route Army finally arrived and assumed the responsibility for the maintenance of peace and order. Two days later Nanking was likewise occupied by the Nationalist Forces. In less than ten months all territory south of the Yangsze fell under the jurisdiction of the Kuomintang.

Political Problems

For one month following the capture of Nanking and Shanghai, both the military leaders and civil officials of the Nationalist Government were absorbed in the political problems of the Party. The prosecution of the Expedition was temporarily halted. In May when organization of the Nationalist Government at Nanking was completed military activities were resumed. The campaign was carried across the River by two separate routes, one directly from Nanking to Pukow which was taken on May 14 and was lost and retaken on the following day, and the other also across the River at Chinkiang in pursuit of Sun Chuan-fang along the Grand Canal. The drive from Pukow along the Tientsin-Pukow Railway resulted in the capture of Pengpu on May 22 and on the following day Yangchow, opposite Chinkiang, fell. On May 30 Nationalist troops entered Nansuchow forcing the evacuation of Hsuchow by the Northern defenders on May 31. The exit from Kiangsu of all Northern forces completed the conquest of the Southeast and marked the close of the second stage of the Expedition.

With Sun Chuang-fang eliminated from the field and the Southestern provinces won over the third and final stage of the Expedition was begun. The contest for North China was between the Fengtien Militarists and the Nationalists.

Early in June when it was generally known that the Nationalist Government meant to carry the war to the territory of the Northerners, the Fengtienites immediately set about reorganizing their armies with a view to facilitating command. The Shantung armies under Chang Tsung-chang, the Chihli armies under Chu Yu-pu, and Sun Chuan-fang's remnant forces were reorganized into the Ankuo-chun (National Pacification Army) with the Fengtien Warlord Chang Tso-lin as the Generalissimo.

During the last stage of the war in Northern Kiangsu, severe battles were raging between the Nationalists and the Fengtien Army for the mastery of Honan. Since the loss of Hankow, Wu Pei-fu, had been entrenching himself there in an attempt to regain his lost position but his forces were hemmed in on the north by the Fengtien Army, on the south by the Nationalists, and on the west by the advancing Kuominchun under Feng Yu-hsiang whose reappearance at this moment gave added strength to the Nationalists.

The Sturdy Kuominchun Army

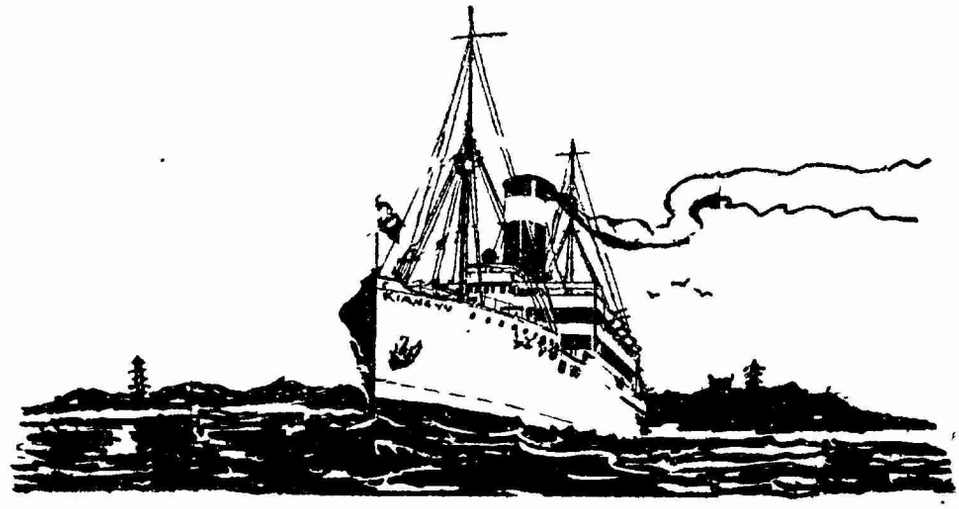
Since its withdrawal to the Northwest, the Kuominchun had been recuperating and undergoing a new process of regeneration. In May, 1926, when conditions in North China were favorable the sturdy North-westerners marched back from the wilderness beyond Shensi, entered Honan through Tungkwan, and headed straight for the Lung-Hai Railway. The Fengtien Army also crossed the Yellow River in an attempt to succeed to the position of Wu Pei-fu but were beaten back by the joint attack of the Kuominchun and the Nationalist Forces from Hankow. The Fengtien troops finally established their headquarters at Sinhsiang and the possession of Honan was reclaimed by the Kuominchun.

The quarrel between the Nationalist Authorities at Hankow and Nanking in the Spring of 1927 halted all serious attempts at further advance Northwards, and the campaign in Shantung since June was more for the purpose of freeing Nanking from a counter-attack than for capturing Peiping (Peking). In July the Nationalist troops crossed the Shantung border and captured Lincheng, with the Northerners drawing up their defense at Yenchow. But when they failed to follow up their advantage, a counter-offensive was launched southwards which resulted in the recapture of Hsuchow by the Northerners on July 24. At the same time Sun Chuan-fang also descended along the Grand Canal. By the middle of August the Northerners found themselves back to the northern bank of Yangtsze. On August 26 Sun Chuan-fang made a daring attempt to regain Nanking by crossing the River at Lungtan, fifteen miles below the Nationalist Capital on the Shanghai-Nanking Railway, and also at Chinkiang. His plan was to take Nanking by a surprise attack from Lungtan while the other force at Chinkiang was to prevent any reinforcement from being despatched up the Railway. It was a brilliant strategic move and for a moment the Nationalist Government at Nanking was on the point of evacuating the city. The crack Seventh Nationalist Army coupled with the presence of mind of several Nationalist Commanders who happened to be on their way to the Capital but whose train was held up a little distance below Chinkiang, inflicted a crashing defeat on the reckless invading Northerners. This unsuccessful attempt permanently crippled Sun Chuan-fang who immediately retreated with his remnant force to their original posts. The year closed with the Nationalists again in undisputed control of northern Kiangsu.

Early in the spring of 1928, as the result of a complete reorganization of the Nationalist forces, General Feng Yu-hsiang who controlled the strategic approaches to Peking along the Peking-Hankow and the Lung-Hai Railways, and General Yen Hsi-shan who had been holding the Peking-Suiyuan Railway and was in a position to threaten the area of the Fengtien Army, took to the field under Nationalist colors with General Chiang Kai-shek once more directing operations as Commander-in-Chief. Except for the temporary interference of the Japanese military authorities at Tsinan subsequent to the May 5 Incident which held up for a while the prosecution of the plan of the Nationalist Government along the Tientsin-Pukow Railway, the simultaneous advance at all fronts towards Peking was rapid, the Chihli-Shantung forces first falling back on Tientsin followed by the Fengtien Army which steadily retreated northwards along the Peking-Hankow and the Peking-Suiyuan Railway. In the early part of June, Peking was threatened from three sides, and Chang Tso-lin, rather than staking all for a last battle, peacefully evacuated Peking on June 3. The fall of Peking into the hands of the Nationalists concluded the military phase of the National Revolution and brought the Expedition to a successful conclusion.

Earl of Gosford Marries American Woman

The Earl of Gosford (Archibald C. Acheson) a director of the British-American Tobacco Co., was married to Mrs. Beatrice Claflin Breese, a New York society woman, at Southampton, L. I. recently. The Earl was divorced in December, 1927, from his former wife, who was Mildred Carter, daughter of a former American Minister to the Balkans. They had four children. Mrs. Breese in July, 1924, was divorced from Robert P. Breese, of New York, and was awarded $5,500 a year alimony and $1,500 a year for the support of their child, Beatrice.



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SHANTUNG IMPRESSIONS AND OBSERVATIONS

(Continued from page 322)

a while catch deers unawares. Tsingtao boasts of excellent hotel accommodation and it even has cafes where one can dance to fine music all the year round, in contradistinction to Chefoo which, in the winter months, one finds time very heavy on one's hands. After staying a long while in both places, we are compelled to agree with the editor of the *Tsingtao Sphere* that whereas one *vegetates* in Chefoo, at least in the winter time, one *lives* in Tsingtao. But if Chefoo is dull in the winter, it is certainly gay in the summer for then the American warships of the Asiatic station are in port. With a couple of thousand men ashore each day and quite a dozen cabarets in operation, and throngs of people on the beach at all hours, Chefoo in the summer months very much resembles the Riviera all but for the casino. But, unlike Tsingtao, it has no race course, it has nowhere to motor to, unless you feel inclined to take the bus for Weihsien and risk being held up by bandits and carried off for ransom. It has two hotels but very poor boarding house accommodation and the hotels know how to charge for their rooms and meals in consequence. And yet, considering the fact that in the winter months they are practically empty, and considering the additional fact that they are heavily taxed and squeezed by the native authorities, one must not criticize them too severely for going beyond the limit a bit.

Germans Built Modern City

Tsingtao was originally a fishing village but as soon as the Germans got into possession, they started building a modern city, with a dock, coaling station, harbor facilities, etc. In 1914, Japan took possession, and the Japanese built an additional section. The excellent harbor and the advantages of railway communication with the interior and a short sea trip to Shanghai has given it considerable assistance in its rivalry with Chefoo which formerly had almost a monopoly of the foreign trade of Shantung. There are coal mines in the vicinity operated by various concerns, the principal ones being the Lu-ta Mining Company, a Sino-Japanese undertaking. The trade of Tsingtao averages Tls. 145,000,000 in a normal year. Chefoo was opened to foreign trade in 1858 by the Tientsin Treaty. Facing Dairen and Port Arthur, it is situated on the northern coast of the Shantung Peninsula. It, too, was a deserted fishing village until its favorable position attracted attention and a large number of foreign traders flowed in. The Yentai-Weihsien Railway (170 miles between Chefoo and Weihsien) was planned several years ago but nothing has so far matured, The Chefoo-Weihsien motor road was opened to traffic in 1924. At times it is dangerous to travel over it on account of bandit activities. Chefoo is noteworthy for the migratory movement of coolies to Manchuria. It has no settlement or concession but there is a district recognized as the foreign quarter in which the consulates, post office, and leading firms are located. This residential quarter is well maintained by a Sino-Foreign Committee who collect voluntary contributions for the purpose. The trade of the port runs into Tls. 12,000,000 or thereabouts, the principal exports being pongees, raw silk, beans, straw-braid, hairnets, laces, peanuts, beancake and bean oil, while cotton goods, kerosene, sugar, matches, marine products, flour etc. are imported.

The Rivers in Shantung

There are many rivers in Shantung, amongst which is the famous Hwang-ho, often called "China's Sorrow," on account of its frequent and disastrous inundations. It has often changed its course from the North of the province, where it used to flow centuries ago, to the South of it, through Kiangsi. In 1711 a survey of the province was made under the Jesuit fathers Regis and Cardoso by order of the Emperor Kang-hi. Their map was cut on wood in China and printed with the whole of China and Tartary, in the work on Geogoraphy called the "Ta-ching-e-tung-chih." It was then translated into French, engraved in Paris and inserted in the "Memoirs concernant les Chinois," by Du Halde. The coast has been surveyed by the European, American, Japanese and Chinese navies. The Yun-ho, or Grand Canal, flows in the extreme west of the province in a line nearly parallel to its Boundary. This enormous work was in old times one of the most important ventures of China and of great utility to the Empire, in contrast with another tremendons work, viz., the Great Wall, which did not save the Middle Kingdom from the invasion of the Tartars against whom it was erected 217 years B. C. Unhappily, in its present state, the grand canal is of little use for through traffic, although navigable south of Tsining and north of Linching. This state of affairs is really to be regretted when we remember that the Grand Canal, like the Yellow River, traverses the richest part of Shantung, having on its banks or near them two *fu* or cities of the first order, four *chou* or cities of the second class and a good many *hsien* or cities of the third order; while the Hwang-ho passes within 12 *li* of the capital of the province.

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Are the Japanese Acting in Good Faith?

BY J. B. P.

Few question the sincerity of S. Yada, Japanese Consul-General at Shanghai, in his preliminary negotiations with Dr. C. T. Wang, National Minister of Foreign Affairs, over outstanding Sino-Japanese diplomatic questions. Mr. Yada has shown that he is sympathetic with China's desires to effect an equitable settlement of outstanding questions with the Japanese, and through interviews with Japanese newspapermen while on his recent trip to Tokyo, Mr. Yada indicated unmistakably that he is unsympathetic toward General-Baron Tanaka's present "positive" China policy. Most persons therefore agree that Mr. Yada is acting in good faith, but this feeling does not prevail in respect to the Japanese Government in the present negotiations because Mr. Yada was not and has not been provided with proper credentials authorizing him to negotiate a settlement of various outstanding questions.

Unofficial Conversations Only

The negotiations which opened in Nanking, the Chinese National Capital on October 19, between Mr. Yada and Dr. C. T. Wang, were not negotiations in fact, but merely "conversations" the general purpose being to "feel each other out" on the general question of Chinese-Japanese relations as a possible basis for the actual negotiations—in case there are to be actual negotiations. Another element in the situation which must not be overlooked is that Mr Yada has also held conversations with T. V. Soong, National Minister of Finance on the question of the Chinese tariff, this likewise being an important outstanding problem in the relations of the two countries and a particularly pressing problem from the standpoint of the Chinese because of their intentions to increase the tariff rates before Jan. 1, 1929 when tariff autonomy is expected to be enforced.

Results of Conversations Secret

Since the negotiations between Dr. Wang and Mr. Yada were unofficial and therefore not binding on either side there have been no public reports further than general statements in the press regarding the subjects touched upon, which were summarized in a dispatch by the Japanese *Rengo* news service from Nanking which appeared in the *Japan Advertiser* of Tokyo to the following effect.

NANKING INCIDENT: In view of the solution reached with other countries, such as Great Britain, America and France over this incident, Mr. Yada and Dr. Wang seemed to have reached the conclusion that, following these examples, both sides should endeavor sincerely to solve the incident, while the Chinese side has agreed to express regret for the loss of Japanese lives and property as the Japanese at that time did not take any antagonistic attitude towards the Chinese soldiers contrary to what other foreign Powers did, these latter bombarding Nanking.

HANKOW INCIDENT: The Chinese claim that the nature of this incident is not similar to that of Nanking and insist that Japan must take full responsibility for the killing of a number of Chinese, as the Japanese resorted to force to protect their subjects in the Hankow concession. Consul-General Yada is said to have insisted that the circumstances necessitated resort to such action and that, therefore, such was merely self-protection. Further negotiations will be made when Dr. Wang has submitted the whole situation to the Nanking Government Council for its consideration.

TSINAN INCIDENT: Rumors that the negotiations on this question had reached a deadlock, on account of Japan's demand for a huge indemnity, are not entirely founded on facts, it is understood. On the contrary, Japan demanded a clear statement from China with regard to future guarantees and Dr. Wang requested details of Japan's demands. Mr. Yada explained, to some extent, Japan's demands and Dr. Wang said that the demands would be recognized by China up to a point. Japan's desire that this matter be solved with all possible speed and that a joint committee be appointed to make an investigation into the affair were also communicated to the Chinese delegate and the latter agreed to have the entire procedure referred to the Government for instructions.

TREATY QUESTION: It is understood that the Japanese delegate insisted that though Japan was in sympathy with China's desire for the conclusion of a new commercial treaty in principle, China must give guarantees that the existing treaty is valid until a new one is concluded. Dr. Wang, it is understood, explained the position of the Nationalist Government, whose motto is revolution internally as well as externally, and said that as much as Japan sympathized with China's aspirations for the conclusion of a treaty on a basis of equality, China would reply to this and would not hesitate to cancel the previous announcement that a transit period treatment will be given to those countries, the terms of whose treaties had expired.

CUSTOMS TARIFF QUESTION: Mr. Yada intimated that Japan would consider with sympathy the question of China's customs autonomy, but before autonomy is enforced, China must arrange this matter in an orderly and legal manner. Negotiations on this question are expected to be preceded by enforcement of the transit period customs tariff, which is believed to be the graded tariff system which will be arranged by preliminary conversations between Mr. Yada and T. V. Soong Nanking's Finance Minister.

The Chinese Attitude

The foregoing summary of subjects touched upon in the conversations at Nanking which was circulated by the Japanese *Rengo* news agency is the only report available indicating the actual Japanese attitude on the various questions involved. Likewise there has been no official indication of the Chinese attitude further than reports in the Chinese newspapers that China might be willing to apologize and make reparations for the Hankow and Nanking incidents, but would insist upon an apology and reparations from the Japanese for the Tsinan incident. As to the two other questions, a new Commercial Treaty and the tariff question, it has been indicated all along that China would agree to nothing short of complete equality and reciprocity. Some idea of Chinese public sentiment on the various questions, however, has been indicated unmistakably in resolutions passed by various public organizations. The so-called "All China Anti-Japanese Association," on October 22 sent a telegram to Nanking from Shanghai which included the following demands,

1. Customs autonomy should be recognized first.
2. Japanese military and naval forces in China should be withdrawn.
3. Japan shoulder full responsibility for the Tsinan incident.
4. Japanese Government should express profound regret for the Tsinan incident
5. Lieutenant-General Fukuda, commander of the Japanese garrison in Tsinan and responsible for the incident, should be punished.
6. All unequal treaties must be cancelled.
5. The Association should wire to the Nationalist Government urging that the Department of Foreign Affairs should observe the foreign policy of the Kuomintang and reject any overtures made by Japanese imperialists.
6. Unless Japan agrees to cancel the expired commercial treaty and to recognize tariff autonomy, China should not agree to the opening of formal negotiations.
7. The Government should reject Japan being represented by a Consul-General when China is represented by a foreign minister, such an attitude on the part of Japan tending to lower China's international prestige.
8. China should obtain pledges from Japan whereby all Japanese troops will be withdrawn, an apology and payment be made for the Tsinan incident, and guarantees that there will be no recurrence of similar affair.
9. Anti-Japanese movements should not be ceased unless a new treaty, based on mutual respect and equality, is concluded, Japanese goods should be treated as goods belonging to the most unfavored nation.

Attitude of Chamber of Commerce

In addition to the foregoing resolutions from the Anti-Japanese Association, the Shanghai General Chamber of Commerce and Chinese Rate-Payers' Association of Shanghai sent telegrams to Gen. Chiang Kai-shek and Dr. C. T. Wang urging the Government to maintain a firm attitude and demanding the conclusion of a new treaty "on a basis of equality and reciprocity" since this is the only basis upon which China as an "independent and sovereign state can rightfully negotiate," and if this cannot be obtained, "our nation-wide boycott against Japan will ultimately bring about Japan's economic and financial ruination." The two organizations then made the following recommendations.

(1) The National Government should refuse to enter into formal negotiations with Japan unless the Japanese Government first recognised China's declaration of tariff

autonomy and is willing to conclude a new treaty on the basis of equality and reciprocity

(2) Only plenipotentiary Ministers should be delegated by the Japanese Government to enter into negotiations with China.

(3) Before negotiations for the settlement of the Tsinan Incident is started, all Japanese troops in Shantung should first be withdrawn coupled with the Japanese Government's undertaking that the Japanese found guilty shall be punished, adequate compensation to be awarded the Chinese sufferers and an official apology from Japan for starting the shooting.

On Wednesday, October 31, a delegation representing some fifty public organizations including the Nanking branch of the Kuomintang called personally on Gen. Chiang Kai-shek, Chairman of the National State Council and presented the following demands in connection with the Sino-Japanese negotiations:

(1) That the Japanese negotiators must be plenipotentiary ministers appointed by the Japanese Government specially for the purpose.

(2) The all Japanese troops now stationed in China must be withdrawn before negotiations can be resumed.

(3) That there must be sufficient proof of Japan's sincerity to abolish the unequal treaties between China and Japan before negotiations can be entered into.

(4) That the public must be kept informed of the progress of the negotiations.

(5) That the negotiations must follow strictly the Party's foreign policy.

(6) That the minimum terms of settlement of the Tsinan Affair must include punishment of the guilty Japanese officials, an expression of regret from the Japanese Government and payment of compensation to those Chinese who suffered losses at the hands of the Japanese soldiers.

Are the Japanese Acting in Good Faith?

It probably is correct to say that the Chinese, civilians as well as officials, do not believe that the present Japanese Government is acting in good faith in connection with the present negotiations, despite the fact that telegrams from Tokyo, through the Japanese semi-official *Toho* news service, were published in Shanghai on October 30 stating that "important instructions" had been sent to S. Yada, the Japanese Consul-General in Shanghai as a result of a conference in Tokyo which was held for the purpose of considering the report on the Yada-Wang conversations in Nanking. The Tokyo conference was attended by General-Baron Tanaka, Premier, K. Yoshizawa, Japanese Minister to Peiping and other high officials of the Japanese Foreign Office. The Tokyo telegrams also stated that Hachiro Arita, chief of the Asia Bureau of the Foreign Office had been sent to Shanghai to confer with Dr. C. T. Wang and in addition the Japanese Government had ordered Koichi Nishida, acting Consul-General at Tsinan to proceed to Shanghai. The Chinese generally believe that General-Baron Tanaka is attempting to play a "trick" on the National Government by pretending to desire a settlement in order to strengthen his own political position and smoothe things over until after the Coronation ceremonies this month. The Chinese believe that the Tanaka Government is worried at the opposition which has developed in Japan to the Government's "positive" China policy and has been forced into a position where something must be done to strengthen the Japanese position, or if that cannot be done to place the blame for failure to reach an understanding on the Chinese. The Chinese also believe that the anti-Japanese boycott and generally unsettled diplomatic relations of the two countries has damaged Japan's financial credit in New York, so that it was necessary to open unofficial conversations with China in order to provide an excuse for the sending of propaganda telegrams to the American press that would lead the American public to believe that Japan was sincerely trying to reach an understanding with her near neighbor.

Two Vital Questions Untouched

The fact that the two major problems in the relations of China and Japan—Manchuria and the debt question—have not been touched upon at all, is also of very great significance. Although it has been rumored that Mr Yada, the Japanese Consul-General at Shanghai told T. V. Soong, National Finance Minister that Japan would not agree to China's tariff autonomy program unless China would agree to a refunding of the Nishihara loan of 1918, it has been authoritatively stated that Mr. Yada did not bring up this question in the conversations with Dr. C. T. Wang. It is also a fact that Mr. Yada likewise did not bring up the question of Manchuria, which probably is the most fundamental of all outstanding Sino-Japanese diplomatic problems, in which connection it has been

Ministry of Finance of The National Government of China

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(Sgd.) CHANG SHOU YUNG — *Vice-Minister of Finance*

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STATEMENT REGARDING SECURITY AND SERVICE OF THE LOAN BY THE OFFICIATING INSPECTO -GENERAL OF CUSTOMS

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(Sgd) A. H. F. EDWARDES
Officiating Inspector-General of Customs.

reported that Japan is trying to make a trade whereby she would agree to a reciprocal and equal commercial treaty, abolition of extraterritoriality, tariff autonomy, and a just settlement of the Tsinan incident, provided the Chinese would come to an understanding not to disturb the *status quo* in the Three Eastern provinces,

A BRITISH VIEWPOINT

Probably the most enlightening comment on the Nanking conversations of Yada and Wang, appeared in the *Japan Chronicle*, the liberal British newspaper published in Kobe, Japan, on October 26, a reprint of which follows:

THE NANKING NEGOTIATIONS

Nothing much is likely to come of the negotiations between China and Japan so long as they are carried on, for the Japanese side, by an official no higher in rank than Consul-General. Indeed, the appointment of Mr. Yada for this purpose is merely consenting to hear what the Chinese have to say. Even if they come up to Japan's highest expectations in the way of "sincerity," it will only be to hand over the negotiations to Mr. Yoshizawa before anything definite is done. One great difficulty appears to be that the Japanese representative requires that history be retraced somewhat, while the Chinese representative wants to take things as they are. Mr. Yada, for instance, cannot make any headway so long as Dr. Wang refuses to withdraw the denunciation of the Treaty of Commerce, as a prerequisite. But the subject upon which the two representatives are said to have become most heated was the Tsinan incident. It appears to be impossible for the two representatives to agree on what the Tsinan incident actually was. To Mr. Yada, the Tsinan incident was the wanton killing of a score of Japanese in Tsinan by the Southern troops, possibly with the co-operation of the mob, and the looting of some personal effects, and this in spite of a warning from the Japanese that special care must be taken and in spite of the dispatch of troops to prevent any such incident. From the Japanese point of view the crime was aggravated by the fact that the Chinese had declared that there were no disorders, whereupon the Japanese troops had partially withdrawn from their previous conspicuous positions. The Chinese view is very different. It holds that in the first place there was no such danger as justified Japan in flinging an army into Shantung, and that if the Japanese believed that there was danger and desired to avoid it, it would have been a much simpler matter to withdraw Japanese residents for a season than to send a number of troops greatly exceeding the number of residents whom they had to protect.

The Chinese declare that it was the exacerbation caused by the sight of these soldiers and inflamed by their insolent manner that brought about the collision. Further, they declare that the Japanese reprisals, even had the attacks on Japanese been as completely unprovoked as is officially maintained, were out of all proportion to the offence, involving the loss of a hundred Chinese lives for one Japanese, and the destruction of a section of the city. How, then, the Chinese ask, are they to apologise and offer reparations when they are themselves by far the greatest sufferers and have most to complain of. It is difficult in such matters as this for the delegates to come to any decision. In private life a dispute may be settled by arbitration, or by courts of law, but in international disputes there is still a great reluctance to accept any third party's judgement. It would be perfectly easy, and a most edifying spectacle, if Japan and China both agreed to lay the case before some international tribunal of learned and fairminded men, such as is provided at the Hague or at Geneva. But statesmen do not welcome such tribunals because they might decide in favour of the weak against the strong, and when settlement is affected directly between the disputants, the stronger one can nearly always put itself in the right at the expense of the weaker. The stronger party can also use a dispute as a counter in a much more complicated game, making totally irrelevant conditions as the price of settlement. For instance, Count Uchida, in the course of his Mission of Explanation to Washington, explains that Japan withholds recognition from the Nationalist Government because that Government has wrongfully denounced the Treaty of Trade and Commerce, and because she also requires assurances that her interests in Manchuria shall not be threatened.

A part of the withholding of recogition consists in the prevention of Manchuria from making itself in fact as well as in name an integral part of China. These matters are surely questions very suitable for settlement by arbitration; but they are not being so settled, and in settling them by direct negotiation Japan is following the example of all the Powers, who, though setting up tribunals for the settlement of international disputes, avoid using them whenever they possibly can. Diplomatic definitions are often essentially false descriptions, and Count Uchida would have been much nearer the truth if he had said that if the Nationalist Government want Japan's recognition, it must purchase it on Japan's terms. To guarantee Japan's interests in Manchuria, if we may judge from the utterances lately made on the subject, is to abandon any intention of making Manchuria effectively a part of China. One objection raised to the acknowledgement by Mukden of Nanking's supremacy is that it would mean the end of Mukden diplomacy, and it is believed that such a diplomatist at Nanking as Dr. C. T. Wang would be more difficult to deal with than some secretary of the dictator of the Three Eastern Provinces.

The Nanking Government is, of course, in a very difficult position. If it submits to Japanese dictation it loses all prestige in China and it becomes an object of derision to those who see in the expulsion of the Communistic element a corrupt deal with the Powers. Such a development could only end in another movement leftward, and the next Nationalist Government, if the present one loses all credit in China, will be of the extremist kind. If the Japanese Government is wise it will recognise this fact, and make things easy for the Government with which it now has to deal. For the Nanking Government is far friendlier than would be any Government which succeeded it, and to press it too hard may mean great loss. For if the Nanking Government is forced into too great a subserviency, it will not live long enough to fulfil its guarantees, and they will be something less than scraps of paper to its successor. It is doubtful, however, whether we can expect the requisite foresight and moderation of a Government which has in two successive years sent expeditions to China to stop the advance of the Nationalists, and has constantly interfered in the affairs of Manchuria, and yet is always talking about the necessity of cultivating China's good will.

It is not altogether easy to give and surrender advantages, especially when doing so involves injustice to a number of Japanese whose business interests and personal security are identified with the forward policy. However, considering that Japanese publicists often expresses sympathy with China "because Japan was once similarly oppressed by the Powers," it might not be too much to expect that such sympathy would extend to the making of sacrifices comparable with those which the Powers made in the revision of the treaties with Japan at the end of the last century. That revision operated contrary to the interests of the foreign residents, yet few of them would not acknowledge that the advantage to Japan was so great that the sacrifice was worth while. The process has gone further in China, and the difficulty of avoiding injustices in a readjustment is much greater. But the longer the delay the greater the difficulties become. Affairs at present are progressing backwards in China. A little while ago tariff autonomy and the abolition of extraterritoriality were being discussed. Now they are thrust in the background, pending the settlement of Tsinan affairs, the status of Manchuria, the renewal of the Treaty of Commerce. And if there occurred some other "incident," this would have to be dealt with first, putting off all question of an improvement in relations still further into the future. It would help matters a great deal if Japan, and the other Powers as well, made considerable sacrifices regarding their privileged position in China, with appropriate safeguards that would effectually prevent the foreign residents from becoming the butt (as the Russians have so often been) of old political resentments.

Chinese Eastern Railway Maintains Excellent Commercial Departments

The Chinese Eastern Railway, which traverses north Manchuria from the borders of Siberia on the West to the border of the Maritime provinces on the east, and which also has a branch running south from Harbin to Changchun, where connection is made with the South Manchuria railway, publishes a valuable monthly publication in Russian and English, entitled the *Manchuria Monitor*. The current issue contains, among other interesting matter, a review of the operations of the auxiliary enterprises of the commercial department of the Railway. The Company maintains commercial agencies in Harbin, Kirin, Vladivostock, Dairen and other points, including a most important one at Shanghai. By means of these agencies, the Chinese Eastern railway not only attends to the transportation of goods, but provides warehouse facilities, makes loans, writes insurance, and attends to forwarding and customs formalities. It also engages in commission operations in connection with the sale of goods.

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Hou Ki-hu	Chen Kwan-soon	R. T. Huang	Hin Wong
T. V. Soong	P. T. Chen	Chang Ching-kiang	Dr. Chen Kung-po
Dr. C. C. Wu	Hin Wong	Wm. Z. L. Sung	C. P. Ling
Dr. C. T. Wang	Samuel H. Chang	C. B. Kwei	Liang Yung-li
Dr. H. H. Kung	E. K. Moy	Y. T. Wu	C. W. Y. Meng
B. Y. Lee	R. T. Hsiang	Chang Tuh-yui	Paul K. Whang
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46-417

The National Christian Council of China

BY ROWLAND M. CROSS

THE National Christian Council of China held its sixth annual meeting in Shanghai on October 11-18, 1928. Nearly 100 delegates, visitors and secretaries coming from all over China from Java to Manchuria and Szechuan to Hongkong, representing a church membership of 300 000 composed this deliberative assembly.

Two-thirds of the Council members were Chinese and the part taken by the General Secretary, Dr. Cheng Ching-yi, the Chairman; Dr. David Yui, the Chairman of the Business Committee; Dr. T. C. Bau, the Chairman of one of the Commissions; Dr. T. T. Lew, Dr. H. H. K'ung of Nanking, Dr. Wu I-fang, the new head of Ginling College; Dr. Y. C. Yang, president of Soochow University, Mrs. C. C. Chen, Miss Ting Shu-ching, general secretary of the Y. W. C. A. and many others showed clearly that the Chinese Church is rapidly becoming indigenous in its leadership.

The tone of the conference was different from what it has been in recent years. There was no evidence of discouragement nor of willingness merely to mark time but instead an eagerness to go ahead on a new program with hope and enthusiasm. It was distinctly a forward-looking conference.

Much of the work of the Council was done in the four commissions into which the whole membership of the Council was divided, an account of which has already appeared in *The Review*.

Important Recommendations

The Council passed important recommendations regarding the Christian program in rural districts as follows:

1. That the Council, in cooperation with other national Christian organizations and church bodies, assist the College of Agriculture and Forestry of Nanking University to plan for the reorganization of the Summer Institute of the University more adequately to meet the needs of rural pastors, evangelists, teachers and lay leaders, both men and women.

2. That the Rural Life Committee select a rural church in which a correlated program will be carried out as an experiment, using local leadership assisted by experienced workers.

3. That the Council secure as soon as practicable a member of its staff to give special attention to rural work.

4. That the Council earnestly commend the findings of the Jerusalem meeting on Rural Problems to the Churches and missions in China as a basis for study in seeking to formulate a comprehensive program for rural work of the church in China.

The Council is, during the coming year, to investigate the question of the registration of the churches with the government and the method of creating Chinese "holding" bodies for church and other property. This is needed because a number of the missions are prepared now to lease their property to the Chinese Church.

Reorganiziug the Council

It was decided to reorganize the Council; and the delegates to the meeting next spring, at which this subject will be considered, are to be elected by the churches and not by missions.

Committees for the coming year were elected as follows:

Committee on Christianizing the Home—Mrs. C. C. Chen,	chairman
Committee on Christianizing Economic Relations—Dr. R. Y. Lo,	"
Committee on Christianizing Internal Relations—C. L. Hsia,	"
Committee on the Church in Worship and Religious Education Z. K. Zia,	"
Committee on Retreats and Evangelism—Rev. Z. T. Kuang,	"
Committee on Christianizing Rural Life—Chang Fu-liang,	"
Committee on Church and Mission Administration—Dr. Z. T. Yui,	"
Anti-Narcotic Committee—Miss Ting Shu-ching,	"
Commission on Religious Liberty—Dr. Y. C. Yang,	"

Dr. Yui and Dr. Hodgkin were elected representatives on the International Missionary Council.

After the regular sessions were over a retreat of some of the secretaries and members of the Council was held at which plans were discussed for the holding of meetings in different sections of China at which the findings of the Jerusalem Conference and the recommendations of the Council could be brought to bear upon the problems of the local churches.

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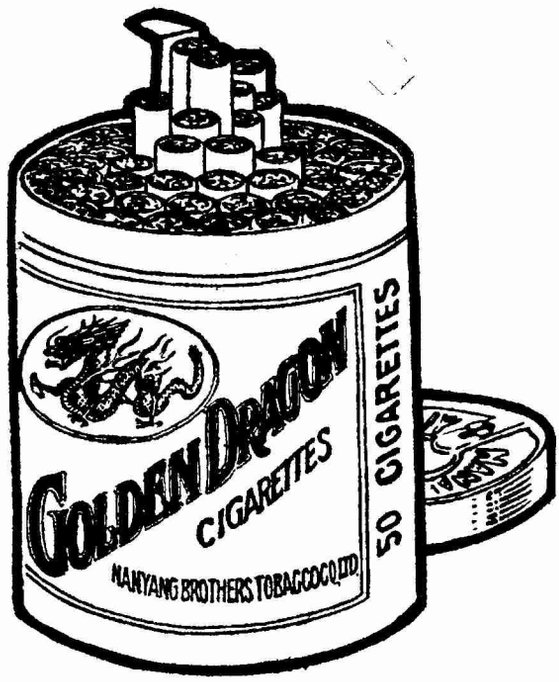

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Who's Who in China

Mr. Shih Yin

石瑛字蘅青

Mr. Shih Yin, Commissioner of Construction for Hupeh province and member of the Committee of the Hupeh Provincial Government, is one of the progressive leaders of the revolutionary movement, having held formerly important government posts in Shanghai and Wuchang including the directorship of the Lunghua Arsenal. Born in 1887, Mr. Shih is a native of Yanghsin, Hupeh province. He completed his early and Chinese education successfully and passed the Imperial literary examination. His foreign education was obtained in England, France and Belgium. When the Revolution broke out in 1911 Mr. Shih was secretary to Dr. Sun Yat-sen who was then President of the Republic. In the first year of the Republic, he was also head of the Hupeh Branch of the Kuomintang. In 1913, he was elected a member of the Chinese Parliament. During Yuan Shih-kai's monarchial movement, Mr. Shih left China and went to England, in pursuit of higher education. In 1917, he was in Birmingham College studying Metalogy. After his graduation, he worked in the various electric and engineering works in Sheffield. He also spent several years in Park Gate Steel Works and in Martin he worked for one year and a half.

After his return from England in the 12th Year of the Republic, he attempted to establish a steel and iron works in South China, but the coup d'etat in that year at Canton frustrated his scheme. In the following year he went to Peking and became professor in the University of Peking. In the latter part of that year, he was also appointed President of the Wuchang University.

In 1926, Mr. Shih returned to Canton and took charge of the Canton Arsenal. In 1927 upon arrival of the revolutionaries in Shanghai, he was made Director of the Lunghua Arsenal. In March, 1928 he received the appointment as Commissioner of Construction for Hupeh province and concurrently as member of the committee of the Hupeh Provincial Government, which posts he still holds.

General Yen Chung

嚴重字立三

General Yen Chung, Commissioner of Civil Affairs for Hupeh province and member of the Hupeh Provincial Government, is among the Chinese Nationalist military leaders who hold high civil offices in the government. General Yen was born in Macheng, Hupeh province. He is well educated and has a thorough military training. After completing his primary and middle school education in his native province, Gen. Yen Chung entered the Military Officers' College and graduated there. For a number of years he held important positions in the Kuomintang government at Canton, being at one time a military instructor at the Central Political and Military Academy. General Yen rose into further prominence when the anti-Northern Expedition started in Canton. He was given command of the Nationalist Independent 21st Division under General Chiang Kai-shek and was in charge of the military Training Department of the Headquarters of the Commander-in-Chief of the Nationalist Revolutionary Forces. When the Nationalist Government was established at Nanking, he was given the post as Chief of the Army Department of the Military Council. Toward the end of 1927 when a new Nationalist regime was established in Hankow under General Li Tsung-jen, General Yen Chung was appointed a member of the Hupeh Provincial Government and concurrently as Commissioner of Civil Affairs for Hupeh Province, which posts he still holds. He is also a member of the Wuhan Political Council.

Mission Boards Waive Claim For Damages at Nanking

A *Reuter* telegram from Nanking October 28, stated that as a "friendly gesture" to China and with a hope that others will follow their example, the American Methodist Episcopal Church, Presbyterian Board, and the Baptist Board have decided to waive their claims against China in connection with the damages sustained by these bodies during the Nanking Incident. The claims of the Methodists alone are believed to amount to $60,000.

Customs Notification No. 1137.

Customs Holidays: Autumn Races:

On the third day of the Races, *i. e.*, Wednesday, the 7th November, the Custom House will be opened at 9 a. m. and closed at noon.

F. W. Maze.

Commissioner of Customs.

CUSTOM HOUSE

Shanghai, 29th October, 1928

Men and Events

John Kreis, U. S. Vice-Consul in Shanghai, has returned from a vacation spent in Manila.

Dr. and Mrs. Ralph E. Gill of Orange Grove, California, arrived in Shanghai Monday, October 29.

Martin Nicholson, U. S. Treasury representative in China has returned to Washington, D. C. on a business trip.

Miss Jane Collins of Glens Falls, New York, arrived in Shanghai during the week to visit her brother Dr. Dan Collins.

Dr. O Fischer, Italian attorney, returned to Shanghai during the week *via* Siberia, after an extended trip through Europe.

Wunsz King, Commissioner of Foreign Affairs at Shanghai has been indisposed and unable to attend office for several days during the week.

E. C. Stocker, engineer with the Whangpoo Conservancy Commission, has returned to Shanghai from America where he spent several months on vacation.

Mr. and Mrs. David S Tait have returned to Tokyo following a visit to Shanghai. Mr. Tait is the representative of the Overland Motor Car Company.

The Customs House in Shanghai will be closed from noon on Wednesday, November 7, on account of it being "Champion" Day of the Shanghai autumn races.

An ancient iron pillar four feet in diameter and about sixteen feet long was recently unearthed near Kaifeng. It is not known to what period the pillar belonged.

Mr. and Mrs. Martin Scott of Kobe, Japan are visiting in Shanghai on a honeymoon trip. Mr. Scott is the representative of the U. S. Treasury Department in Japan.

The Shanghai office of the Ministry of Foreign Affairs is shortly to be removed from the Bureau of Foreign Affairs to new quarters at 1130 Route Sai Zoong, French Concession.

The National Carbon Co, represented by N. F. Allman attorney, were complainants at the Provisional Court during the week against a Chinese for infringing the Ever-ready battery trade-mark.

Pan Yi-chi, a member of the Wu-Han Division of the Central Political Council, will go abroad shortly to make an investigation of economic, political and social conditions in Europe and America.

N. Aall, Norwegian Charge d'Affaires at Peiping, who arrived in Shanghai recently, held a conference with Dr. C. T. Wang, Minister of Foreign Affairs on Sunday, Oct. 28 on the question of treaty revision.

Ernest B. Price, American Consul at Tsinan, Shantung, has been transferred to Nanking and will depart for Nanking as soon as arrangements have been made for opening the American Consulate in that city.

Mr. George M. Wood, treasurer of the Lawyers' Co-operative Publishing Company of Rochester, New York, accompanied by his wife, is on an extensive business trip through the Far East, arrived in Shanghai end of last week.

John Ehrhardt, who has been connected with the U. S. Commercial Attache's office in Shanghai has departed for Mukden where he has been appointed U. S. Trade Commissioner. Mrs. Ehrhardt and their daughter are remaining in Shanghai temporarily.

The *Japan Advertiser* has discovered a new Chinese official, whose name appeared in the course of a dispatch from Nanking on October 20 stating that a prominent official "Dr. F. O. Sun" had negotiated a loan for $5,000,000 during a recent trip to the United States.

Dr. Tsai Yuan-pei, president of the Board of Censors, was in Shanghai during the week to arrange for the wedding of his daughter, Wei-lian, to Lin Wen-tseng, a returned student from Japan. Mr. Lin is dean of the West Lake College and Miss Tsai is a teacher in the same institution.

Lee Fong, formerly connected with the Ministry of Foreign Affairs of the Peiping Government, has arrived in Shanghai and is making his home at 26 Chekiang Road, off Scott Road. Prior to his connection with the Ministry of Foreign Affairs, Mr. Lee was a practicing attorney in Honolulu.

An announcement was made during the week by Squires, Bingham Co, 17a Nanking road, Shanghai, that Warren Baldwin has severed all connections with the firm and that the business will hereafter be conducted by R. W. Squires and Charles C. Squires.

Paul C. Rawls of the Technical Equipment Co. of Shanghai has just returned from Foochow, where he spent a month conducting special short wave radio tests for the Fukien provincial authorities. He reports that road widening and road

(*Continued on page 345*)

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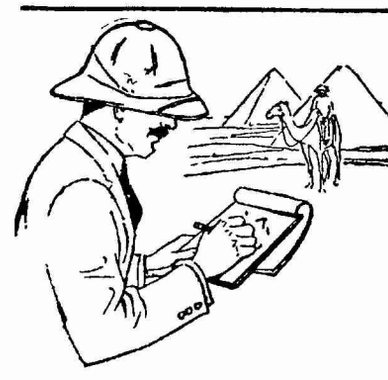

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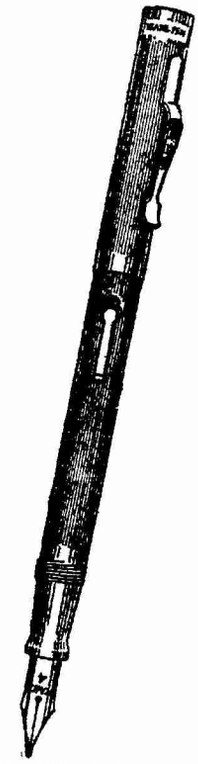

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Peiping, Oct. 25.—Negotiations for establishing buffer zone within Great Wall result in agreement between Fengtien and Kuominchun to have respective armies retreat to own area.

Peiping, Oct. 25.—Importation of airplanes to China from abroad shows increase.

Nanking, Oct. 25.—Dr. C. T. Wang and Mr. Yada issue joint statement on result of negotiations which states that perfect agreement on views has been arrived at as to concrete measures for the solution of outstanding questions, and both delegates decide to drop further conferences and will report to respective home governments.

Peiping, Oct 26.—Conference of diplomatic corps held at Dutch legation attended by Ministers of Britain, United States, and Japanese charge d'affaires to discuss question of recognition of proposed surtax on the stamp duty.

Peiping, Oct. 26—Memorial service being held for late Li Yuan-hung.

Nanking, Oct. 26.—Japanese delegates return to Shanghai from Nanking, following Sino-Japanese negotiations.

Peiping, Oct. 26.—Professors of nine colleges dispatch representatives to Nanking with a view to obtaining funds from the Russian indemnity or salt revenues so as to maintain the institutions

Peiping, Oct. 27.—Loan for Tsangchow-Shihchiachuang railway being considered, committee suggesting raising same either in U. S. A. or Belgium

Peiping, Oct. 27.—Rural population in this neighborhood extremely impoverished by cost of National administration, including stationing of troops, the latter costing $1,400,000 monthly.

Peiping, Oct. 27.—Kuomintang official states real reason why General Li Lieh-chun has returned to his native province of Kiangsi is that he was disappointed at not receiving better recognition.

Peiping, October. 28.—Plague spreading in Shensi province.

Tsingtao, Oct. 26.—First portion of 6,000 Japanese troops to be returned to Japan from Shantung are embarked on board ship

Tokyo, Oct. 28.— Baron Tanaka in support of budget says the positive policy will not be abolished, but "you have to shrink before you hop."

Tokyo, Oct, 28.—Stated at Cabinet meeting that Sino-Japanese negotiations had not proceeded so smoothly as at first reported and prolonged negotiations are expected on the treaty question.

Tokyo, Oct 29.—After three hours conference at Premier Tanaka's residence, important instructions are sent to Consul-General Yada on Sino-Japanese negotiations.

Tientsin, Oct. 29—Anti-Japanese feeling at Chihfung in Jehol becomes aggravated.

Tokyo, Oct. 29.—Ministry of Finance announces that Oriental Development Corporation offers 5½% loan of Gold $19,090,000 through National City Co. of N. Y. at the price of 90.

Peiping, Oct. 29.—Jehol question may be settled by Tutung Tang Yu-lin resigning, and a Fengtien man appointed as his successor.

Tokyo, Oct. 29.—Hachiro Arito, chief of Asia Bureau, sails from Japan to confer with Mr. Yada at Shanghai.

Tokyo, Oct. 31—Chugai-Shogyo Shimpo, largest commercial newspaper in Japan, in editorial states Chinese misunderstand Japanese position. Japanese merchants are determined to weather any temporary difficulties and Japan can wait until China's attitude is modified.

Tokyo, Oct. 31.—Sixteen "red" students have been expelled from Tokyo University for a year.

Peiping, Oct. 31.—Japan announces that it will formulate its own negotiations with China regarding the Salt Gabelle, independent of France and England. Japan objects to the loans secured by the Salt revenue being deprived of their mortgages.

Peiping, Oct. 31.—Peiping Political Council asks for construction of narrow guage railway between Shihchiachuang and Tsangchow.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, October 24—Gen. Ho Ying-ching, having been appointed inspector-general of military training, resigns as chairman of Chekiang provincial government —Delegates arriving in Nanking for Opium Suppression conference to meet Nov. 1.—Association for Promotion of Commercial Aviation at Hankow organized with Gen. Li Chung-jen, as chairman, he having contributed $50,000 to the enterprise.—Further details received from Dutch East Indies concerning illegal arrest of Chu Yu-kwang, special representative of the National government.—Measure completed for installation of Hupeh section of Hupeh-Hunan telephone service.—Construction proceeding at Hongkong of two Chinese gunboats *Chung Yuan* and *Chung Kai*.—Question of treaty revision proves a stumbling block in negotiations between Dr. C. T. Wang and Japanese Consul-General Yada.—Bureau of Social Affairs at Shanghai making an investigation into membership in labor unions.—Shanghai General Chamber of Commerce and Chinese Ratepayers Association of Shanghai telegraph to Nanking urging that National government remain firm in negotiations with Japan.—State Council issues a proclamation on the unification of the country.—Sun Fo appointed Minister of Railways.—State Council holds third meeting

Thursday, October 25.—Assistant Secretary General of League of Nations will arrive in China in December with Wou Sao-fong.—Admiral Yang Shu-chwan announces trip shortly to Nanking.—C. P C. holds 160th meeting.—Chinese Christian Association for support of China's diplomatic relations with Japan regarding Tsinan incident urges principles to be followed in settlement.—More delegates arrive at Nanking for Opium-Suppression Conference.—State Council at Nanking secures suitable offices for various government departments.—Among resolutions passed by national conference of provincial chambers of commerce is one to establish a daily commercial newspaper at Shanghai.—Cantonese sponsor idea of building railway between Swatow and Changchow.—Superintendent of Customs at Shanghai ordered by State Council not to pass arms or ammunition pending final instruction from the Central authorities. Ministry of Finance announces short term loan for $30,000,000, at 8 per cent—All negotiations on Tsinan affair between Dr. C. T. Wang and Mr. Yada have to date resulted in complete disagreement.—National cotton inspection bureau inaugurated at Nanking with Lu Tuan-hing as commissioner.—Protest made to Japan on Japanese fishing boats appearing in Chinese waters between Foochow and Amoy.

Friday, October 26.—Inaugural ceremonies installing president and vice-president of executive *yuan* and ministers of various ministries held at Nanking; Tan Yen-kai presides at first meeting of the *yuan*.—Nanking Central authorities formulate drastic measures to suppress kidnapping.—Hopei provincial government forbids military organs from presenting unauthorized requisitions for funds from civil authorities.—Fourth Group army being reorganized and reduced. —Sun Yat-sen's birthday celebrations in Shansi will include instruction in Three People's Principles.—Ministry of Foreign Affairs at Nanking asks for tenders for construction of a Reception Hall —Nanking Mandate orders Ministry of Interior to hand over health matters to recently organized Public Health Ministry.—Standing Committee of C. E. C. holds 179th meeting. Resolutions include various details regarding party organization.—Central Committee at Nanking for the disposal of confiscated properties formerly belonging to militarists and mandarinate officials sends representatives to various provinces to make thorough investigations.

Saturday, October 27.—Various civil organizations in Kirin and Heilungkiang urge hauling down of five-colored flag and hoisting new National flag.—Chiang Kai-shek proceeds to Shanghai from Wusih enroute to his native home at Fenghua near Ningpo.—Pootung special municipality to build 100 model houses for poor.—Sun Fo formulate plans to centralize railway administration.—Hupeh aviation association orders two airplanes from Germany for service between Hupeh and Kwangtung.—National Budget Committee at Nanking fixes monthly administration expenses of the Central Government at $1,500,000—Dr. C. T. Wang reports details of his negotiations with the Japanese delegates to the Foreign Affairs Committee—Among resolutions passed at

State Councils fourth meeting are those governing the organization of the Central Bank and adopting proposal of Hu Han-min and Tai Chi-tao making regulations governing functions of staff officers of State Council applicable also to the chief political official of the National government.—State Council in first Manifesto outlines aims and policies of National government.—Hunan province to prohibit importation of opium after December 1.

Sunday and Monday October 28 and 29.— Feng Yu-hsiang addresses students, at Nanking University and advises them to cultivate habits of thrift and train themselves for hard work.—Overseas Committee at Tientsin protests against Spanish steamer lying at Taku taking laborers to Spanish Colony in Africa.—Canton Municipality converting two prominent monasteries into public parks—Ministry of Finance orders future provincial revenues transmitted to Central Bank of China at Shanghai.—At 179th meeting of standing committee of Central Executive Committee resolution is passed making itself the highest directing organ in the execution of the program of political tutelage.—Sino-Italian Commission on Nanking Incident meets at Shanghai; $30,000 to be paid by China for dead Italian priest—money to be devoted to charity in China.—National Reconstruction Committee considering engagement of electrical engineers to supervise construction of electric plants throughout the country.—Hsu Hsiung-chang, Ministry of Foreign Affairs secretary, proceeds to Harbin to meet Mr. Thomas, League of Nations representative.—Kwangsi province from January 1 prohibits selling and burning of incense, candles and paper money for idol worship and for the dead.—Anhui province hastening construction of highways between Suanchen and Tunki, and Anking and Hofei.—Sun Fo in interview details plans of Ministry of Railways for improving service.—Translation of recent Manifesto of National Government outlining future policy is published.

Tuesday, October 30.—Postal clerks maximum salary at Shanghai increased from $130 to $240—Mongolian delegation on way to Nanking by special train—Feng Yu-hsiang states that Ministry of War will start functioning as soon as C. P. C. approves regulations.—Ministry of Interior prepares to organize national system of river police—Warrant out for Chang Ching-yao, a Chang Chung-chang satellite—Chiang Kai-shek contributes $100,000 to Shanghai-Hankow Commercial Aviation Co.—Tientsin authorities notify Chinese Race Club that horse racing is forbidden.—Canton military Commanders confer on troop disbandment.—Huang Pen-chao having been appointed Mayor of Hangchow, will hand over office of Bureau of Public Utilities at Shanghai to Tang Peng-ying.—Foreign engineers arrive at Sianfu to consult Gen. Soong Chi-yuan regarding completion of unfinished section of Lung-Hai railway.—Fengtien troops withdrawing to Shanhaikwan, Nationalist troops taking over control east of Lwanchow.—Gen. Yen Chi announces that while Mukden authorities wish to control Three Eastern provinces and Jehol, they have abandoned all plans inside the Great Wall.

Wednesday, October 31.—Nationalist defense conference announced to be held Nov. 1.—State Council appoints: Wang Kung-chu director Nanking branch Kiangnan Arsenal; Chen Tao, chief of ammunition section, and Sun Hsueh-pin Commissioner of Nanking Administration Bureau.—Chiang Kai-shek announced to make tour of inspection of various divisions of army November 8.—Delegation from fifty public organizations in Nanking call on Chiang Kai-shek and present petition asking that Chinese negotiators remain firm in negotiating with Japan.—Executive Yuan holds first meeting at Nanking.—Ministry of Finance announces revision of law governing taxation of stock exchanges.—Announcement made at Nanking that Ministry of Railways will start functioning November 5.—Public motor bus company being formed in Hupeh province to facilitate transportation between Northern Hupeh and Southern Shensi—Hu Han-min addresses the agricultural congress at Nanking.—Plans being devised at Nanking to bring Szechuen province under the effective control of the National Government.

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OLGA I. WOHLMAN, Plaintiff,
vs
MORRIS WOHLMAN, Defendant.

Cause No. 3115
Civil No. 1331
ORDER
Filed at Shanghai, China
20 Oct. 1928
L. T. KENAKE
Assistant Clerk.

The object of this suit is an action for divorce.

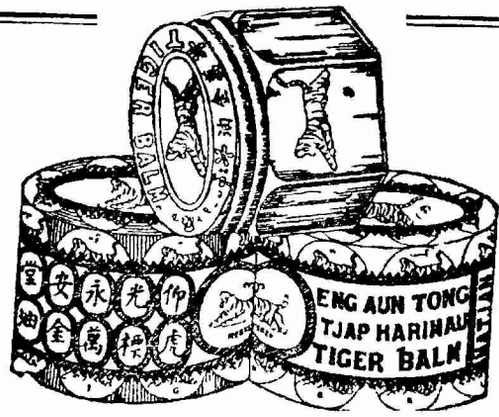
WHEREAS plaintiff herein, by her attorney, has this twenty seventh day of September 1928 made application for the substitution of publication for personal service of summons upon defendant herein; and

WHEREAS it appears from the files of this case that on the 27th day of September 1928, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 27th day of September 1928 OLGA I. WOHLMAN, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last six months previous to the 27th day of September 1928, NOW, THEREFORE, it is this 20th day of October 1928 ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of November 1928, the day of the last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT,

MILTON D. PURDY
JUDGE



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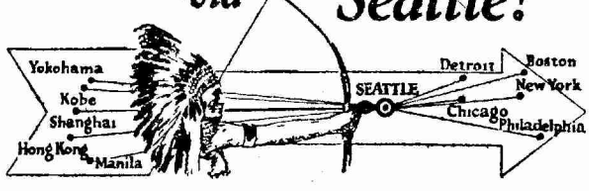

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New Books of Interest in the Far East

America's "Imperialism"

Nicaragua and the United States, by Isaac Joslin Cox, Professor of History, Northwestern University. World Peace Foundation Pamphlets, Boston, 1927. Text 105 pages, 1 map, appendices 79 pages.

American Policy in Nicaragua, by Henry L. Stimson, formerly Secretary of War. Charles Scribners' Sons, New York, 1927. 129 pages.

These two books are brief, though thorough, analyses of the much-discussed Nicaraguan situation. The first book is an attempt by the World Peace Foundation to make clear the facts surrounding the "Intervention" of the United States in Nicaragua. An introductory statement makes plain the reason for this publication. "The Foundation operates upon the policy that the actual facts concerning international relations and official international cooperation constitute the best possible arguments for lasting peace and improved international understanding. Its activities are, therefore, focused upon the task of making these facts available in clear and undistorted form."

The five chapters and appendices are well divided into sections with headings which make reference from the table of contents helpful. There is no index. The appendices are copies of correspondence, conventions, treaties and agreements between Nicaragua and the United States.

The author sketches the land and people, the difficulties of government, the lack of sound financial or civic institutions and the frequent presence of revolution menacing peace and trade. Zelaya, a young Liberal, in 1893 had become President of Nicaragua and for sixteen years dominated the country. In 1910 his government which he had been obliged to hand over to Dr. Jose Madriz, was defeated and a new era in the history of Nicaragua opened. The United States offered to assist in reconstruction work and paid the salary of a financial expert to help in stabilizing the hopeless monetary affairs of the afflicted country. Col. Clifford D. Ham, formerly of the Philippines Customs service, was made collector-general of customs and has acted in that capacity ever since appointment.

Intervention of Doubtful Benefit

The Knox-Castrillo convention was a part of the reconstruction scheme and its non-ratification by the United States Senate was a blow to the plan for the betterment of Nicaragua. Immediately after this (in 1912) there was another military outbreak in the country and the good that had resulted from peace and reforms in many lines seemed threatened. The United States intervened "in order to prevent the recurrence of a regime resembling Zelaya's. It looked upon that dictator, and rightly, as a source of chronic discord in Central America. It regarded itself, now that Mexico was eliminated from consideration as a result of its own revolution, as the sole, but acceptable, guardian of peace under the convention of 1907. The regime that it chose to support was technically 'legally constituted' and Secretary Knox undoubtedly felt that its continuance in office, with the aid of American bluejackets and marines, was essentially 'for the benefit of the people of Nicaragua'." But the losses caused by intervention were many and "the average Nicaraguan, granted that he compared results at all, might well have asked himself if intervention were preferable to non-interference." The author's attitude is that the first intervention of the United States was of doubtful benefit.

Further dependence upon the United States for aid through the next few years called forth criticism from Latin-American press as well as from many American citizens. In April, 1927, Henry L. Stimson was sent to Nicaragua as special representative of President Coolidge. He was "to confer with the various American agents and with the leaders of the local factions." The whole story of his attempts to reconcile an almost hopeless situation containing all the elements of opera bouffe with others more tragic is familiar to readers of foreign news during the past year or so. Moncada, Sandino and other names appeared often in the newspapers as the insurgents carried on their erratic campaigns. Finally, "most of the press accepted peace gladly. . . . They gave Stimson credit for having done a good job, and believed with the *New York World* that 'the new police of intervention is in every way better than the ridiculous meddling which the Administration has pursued since last November'."

Neglect and Exploitation

The end is not yet and the country is still in a condition of neglect and exploitation. "'Dollar diplomacy' and those who manage it have played a large role in recent years. But the real reason for Nicaragua's plight is to be found in its strategic

position and in its possession of certain sources of wealth that attract the adventurer; in its location within a physical and climatic environment that favors neglect and indifference on the part of outside agencies; and in the character of its people. Most of them today are not beyond the demands of military conscription or of economic exploitation. This submerged human element, comprising more than 90% of the population, must be put in touch with modern life if Nicaragua is to make substantial progress."

The second book is a personal account of the work of Mr. Stimson as special representative of President Coolidge. It has three chapters entitled, The Historical Background, The Settlement of 1927 and Landmarks of Our Policy in Future.

The first two chapters cover the more recent events of our contact with Nicaragua and the third is an explanation of our policy, with a plea that it be recognized by Americans as in no way a transgression upon the sovereign rights and independence of the government of Nicaragua. "We are to assist her (Nicaragua) to hold for the first time in her history as a republic a free and fair election of her president. She has asked us to do this; her statesmen have freely admitted the prevalence of the ancient evil of government-controlled elections which has destroyed her democracy, and they have asked our president to assist them in eradicating this evil and starting them afresh upon the road of order and peace....The only thing that stands in the way of Nicaragua procuring on fair and proper terms the money universally recognized as necessary, as well as the help to reform her fiscal methods which she also requires, is the fear on the part of those who must help carry out such a program that the cry will be raised in America that our government is going into 'dollar diplomacy' and that we are exploiting a helpless republic." G. B. S.

A Book for the Medical Profession

Pernicious Anemia, by Beaumont S. Cornell, M. B. Durham (N. C.): Duke University Press.

Pernicious anemia, to use the author's definition, is a disease of unknown etiology, showing a characteristic triad of changes in the digestive, blood and nervous systems, and progressing, usually by remissions, to a fatal termination. The disease bears little relation to any other disease and the author says that in the literature of few diseases has there been so marked a tendency to mix fact with fiction. A discussion of the methods of treating the disease will naturally be limited to medical practitioners or to those who are so unfortunate as to be afflicted. Dr. Cornell is an authority on the subject, and is a Fellow in Duke University.

MEN AND EVENTS

(*Continued from page 341*)

construction are proceeding at a rapid pace, and as a result automobile agents anticipate many orders in the near future.

James H. Hoeck of *The China Press* is confined to the Isolation Hospital in Shanghai with a serious attack of smallpox.

Telegrams in the Chinese newspapers from Tientsin state that the authorities there have ordered the strict suppression of Taoist temples and other places where superstitious beliefs are harbored.

Miss Louise B. Wilson who contributed an article on the "New Woman in China" for the New China edition of *The Review* sailed on the s. s. *President Adams* October 31, for Manila, where she has accepted a position on the *Manila Bulletin*. She had been on a holiday at Tsingtao.

Liang Yeung-li, formerly secretary to the Ministry of Justice of the Nationalist Government at Nanking, has been appointed a judge in the civil division of the Shanghai Provisional Court. Mr. Liang contributed an article entitled, "Judicial Reform Under the Nationalist Government," which appeared in the recent "New China" edition of *The Review*.

A new era is dawning for the merchant marine of the United States. In Washington last month the U. S. government awarded contracts to shipping interests calling for the expenditure of thirty millions for the carrying of oceanic mails to and from the United States as pointed out in a recent interview given to Rufus Rhoades by W. Irving Glover, second assistant postmaster general.

According to the *Ta Chung* news agency, Chang Ching-kiang, acting chairman of the National Reconstruction Committee of the National Government, has been appointed chairman of the Chekiang Provincial Government in succession to Gen. Ho Ying-chin who has resigned in order to devote his time to the military training committee. Li Shih-tseng has been mentioned as probable chairman of the National Reconstruction Committee in succession to Chang Ching-kiang.

RADIOGRAMS

THE rate for transmission of radiograms has been greatly reduced. It is now 10 cents per word for Nanking and 20 cents per word for the following stations, irrespective of plain or code word:—

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Nov. 1	Approx. Yield to Maturity
Argentine Government..	6%	May 1, 1960	100	6 00
U. S. of Brazil	6½	„ Oct. 15, 1957	96½	6.78
Republic of Chile.....	7	„ Nov. 1, 1942	102⅜	6.69
Republic of Chile.....	6	„ Jan. 1, 1961	93½	6.48
Republic of Finland.....	7	„ Mar. 1, 1950	100¼	6.93
Finnish Guaranteed Municipal Loan.....	6½	„ Oct. 1, 1954	99¼	6.54
French Government.....	7	„ Dec. 1, 1949	107⅜	6.33
German Government....	7	„ Oct. 15, 1949	106⅜	6.41
Kingdom of Italy.....	7	„ Dec. 1, 1951	97	7.27
State of Minas Geraes (Brazil)	6½	„ Mar. 1, 1959	95¼	6.88
Republic of Peru	7	„ Sep. 1, 1959	101¼	6.88
Republic of Peru	6	„ Dec. 1, 1960	91⅜	6 66
City of Vienna.....	6	„ Nov. 1, 1952	88⅞	6.96
Mortgage Bank of Chile	6½	„ Jun. 30, 1957	98	6.66
Mortgage Bank of Chile	6	„ Apr. 30, 1961	94½	6.40
German General Electric Co.	7	„ Jan. 15, 1945	103	6.69
German General Electric Co.	6	„ May 1, 1948	94	6.55
Central Bank for Agriculture	6	„ Apr. 15, 1938	92½	7.12
Saxon Public Works, Inc.	6½	„ May 1, 1951	95¼	6.92
Saxon State Mortgage Institution.....	7	„ Dec. 1, 1945	100	7.00
Saxon State Mortgage Institution.....	6	„ Sep. 15, 1947	91	6.85
Tokyo Electric Light Co	6	„ Jun. 15, 1953	91	6.76
Chicago Rapid Transit Co.....	6½	„ July 1, 1944	96	6.92
Northern Ohio Power & Light Co.....	6½	„ Jan. 1, 1941	99	6 62
Cuban Dominican Sugar Co.	7½	„ Nov. 1, 1944	98¼	7.69
Pennsylvania-Dixie Cement Corp.....	7%	Cum. Pfd. Stk.	87	8.05
Victory Talking Machine Co.	7	„ Cum. Pfd. Stk.	107	6.54
General Mills, Inc.,.....	6	„ Cum. Pfd. Stk.	99	6.06
Willys Overland Co.....	7	„ Cum. Pfd. Stk.	98	7.14
Belgian National Rwy Co. Poptg. Pfd. Stk.	(Amm. Shrs.)		85¼	7.04
Dodge Brothers, Inc., ...	7	„ Pfd. Stock	107	6.54
General Mills, Inc.....		Common Stock	72	——
Cannon Mills Co.....		Common Stock	47	——
Grasselli Chemical Company		Common Stock	63	——
Mohawk Carpet Mills, Inc.....		Common Stock	42½	——
The National City Bank of New York Stock...			892	2.24
Japanese Govt. (£) Large	4%	1905/1931 Mkt. to	yield	6.60
Container Corp. of America.....	5%	June 1, 1953	91-¾	5.63
General Motors Acceptance Corp.	5%	1931	99-¼	5.30
Chile Copper Co.	5%	Jan. 1, 1947	96-⅝	5 28
Goodyeas Tire & Rubber Co.....	5%	May 1, 1957	93	5.49

The National City Company National City Bank Building 2A Kiukiang Road Shanghai, China.

National Bureau of Registration, Nanking

FOR the convenience of the public, the National Bureau of Registration will publish an English version of the Trade Mark Gazette under the name of "Trade Mark Record." Hereafter, therefore, any person who applies for the registration of any trade mark for any goods bearing any name not originally in Chinese is requested to send in its name in English together with its translation in Chinese so as to avoid any possible inaccuracy in re-translation, which in technical matters is often impossible to be exact.

By Order

Shanghai Exchange for Week Ending Wednesday, 31st October, 1928

Exchange :—Fluctuations in the price of Bar Silver in London have been slight during the week, under review, the latest prices fixed being 26¾d. for spot, as against 26 1/16d. last week, two months forward delivery is unchanged at 26 1/16d. The official T/T rate on London today is 2/7½d. being a rise of one farthing.

Offerings of export paper still continue on a moderate scale, causing the undertone of the market to show a steady tendency. The merchant demand for telegraphic transfers is still restricted.

The value of the Yen took a decidedly downward turn yesterday, the chief reason for the decline being probably due to the reported excess of expenditure over revenue in the Japanese Budget for 1929–1930. Yesterday banks were selling Yen at 74⅜d., while to-day the best obtainable for November delivery was 73⅜d.

The Market closes quiet and steady, and the following rates were available for remittances:—T/T on London 2/7⅜d. on New York 64 1/16d., Yens 73⅜.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 66,636,000 a decrease of Tls. 254,000

Chinese and Mexican Dollars..... $ 77,370,000 a decrease of $ 1,470,000

Estimated value Tls. 122,342,000 as against Tls. 120,832,000 held at this time last year.

	Average rates for Sept.	Thursday. Oct 25th	Friday Oct. 26th	Saturday Oct. 27th	Monday Oct. 29	Tues. Oct. 30	Wed. Oct. 31
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7 312	2/7¼	2/7½	2/7½	2/7½	2/7½	2/7½
D/Dfts „	—	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16
4 m/s „	—	2/7½	2/7¾	2/7¾	2/7¾	2/7¼	2/7¾
T/T India	173.917	172½	174	174	174	174	174
T/T France	1,619,583	1615	1630	1630	1630	1630	1630
T/T N. Y.	63.344	63⅛	63 1/16	63⅜	63⅝	63⅜	63⅜
T/T Demand		63¼	63⅜	63¼	63⅜	63⅜	63¾
T/T Hamburg		265	267¼	267¼	267¼	267¼	267
T/T H'kong	78.286	78¾	78⅛	78½	78½	78½	78½
T/T Japan	72.536	74⅛	74¾	74½	74⅛	74⅜	73⅜
T/T Batavia	157,469	157	158¼	158¼	158¼	158¼	158¼
T/T Straits	89.146	90	89¼	89¼	89¼	89¼	89¼
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/9 312	2/9¼	2/9½	2/9½	2/9½	2/9½	2/9½
4 m/s „ D/P	—	2/9⅜	2/9⅝	2/9⅜	2/9⅜	2/9⅝	2/9⅜
6 m/s „ B/L Cred D/A	2/9.625	2/9 9/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16
4 m/s B/F Cred D/A or D/P	1,694,583	1685	1700	1700	1700	1700	1700
4 m/s N.Y.Lc	66.594	66⅜	66⅞	66⅞	66⅞	66⅞	66⅞
4 m/s „ Docs	—	66⅜	67⅜	66⅜	67⅜	67⅜	67⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Oct. 25	Oct 26	Oct. 27	Oct. 29	Oct. 30	Oct. 31
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	26¾	26 13/16	26 1/16	26 1/16	26¾
**New York Price of Bar Silver per oz. (Pure)	G. $.58	G. $.58⅛	G. $.58⅜	G.$ 58¼	G.$ 57⅞	G. $ 58
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 361 10	Tls. 361	Tls 360 80	Tls. 363 10	Tls 361 70	Tls. 360 00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110 90	110 90	110 90	110 90	110 90	110 90
Shanghai Mexican Dollars per $100.....	72 5375	72.5375	72 5125	72 45	72.48/5	72.575
Native Bank Rate of Interest (Call money).....	4½%	4%	4½%	5½%	4½%	5½%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.12
Bank of France rate of discount	3½%	New York on London	T/T 484 1/16
London open Market of Dis. 3 m/s	4 7/16%	Bombay on London	T/T 1/6 1/16
„ 4 „	4 7/16%	Hongkong on London	T/T 2/01
„ 6 „	4½%	Kobe on London	T/T 1/11 3/16